



Daily Report

East Asia

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Central Bank Chiefs Meet on Exchange Rates

OW1104114595 Tokyo NIHON KEIZAI SHIMBUN in Japanese 11 Apr 95 Morning Edition p 9

[By Hiroshi Makino]

[FBIS Translated Text] Basel, 10 Apr—The central banks of Japan, the United States, and European nations held a regular monthly governors' meeting on 10 April in Basel, Switzerland. The participants agreed to take appropriate measures to stabilize international exchange rates. Since only the yen exchange rate has continued to hit post-war records, it is believed that the central bank governors decided to make continuous efforts for market intervention by selling yen and purchasing dollars, if necessary.

With Chairman Alan Greenspan of the U.S. Federal Reserve Board attending, the meeting was held soon after the yen rate renewed another post-war record, reaching the level of almost 80 yen to the dollar.

Progress Achieved on APEC Free Trade Blueprint

BK1204092895 Singapore THE STRAITS TIMES in English 11 Apr 95 p 5

[Report by Irene Ngoo]

[FBIS Transcribed Text] Further gains were made in the mapping exercise of senior APEC [Asia-Pacific Economic Cooperation] officials in Singapore yesterday to produce an action blueprint for free trade in the Asia-Pacific area.

Delegates gave upbeat reports at the end of their daylong brainstorming session to discuss how to carry out the decisions of their leaders taken in Bogor last November.

Yesterday's informal meeting of the Committee on Trade and Investment (CTI)—a core working group of the Asia-Pacific Economic Cooperation which groups 18 countries—covered five key areas to liberalise trade and investment in the region by 2020.

South Korea's deputy economic affairs minister, Mr. Sun Yun-yung, who chaired the CTI meeting, told reporters that delegates exchanged views on investment, customs procedures, standards conformance, disputes-mediation mechanism, and deregulation.

"We have made much progress in that we have advanced new ideas in these five areas," he said.

He singled out three areas in which he said "tangible progress" was reported. These were the talks on action plans to streamline customs procedures and standards

conformance within the APEC region and investment principles to make it easier for investors to do business.

In particular, he said, quite significant progress was made in the discussion on measures to facilitate investment, which he described as a difficult area.

Meeting sources told THE STRAITS TIMES that some delegates expressed caution in moving too fast towards dismantling investment barriers and called for flexibility to allow countries to liberalise at their own pace.

Commenting, Mr. Sun said: "Even though there were words of caution and hesitance on the pace of liberalisation, overall the progress we have made is significant."

On customs procedures, the CTI endorsed the work done by a subcommittee and noted the broad consensus that was reached on the strategies and guiding principles for action plans to simplify and harmonise customs rules.

Australian delegate Robert Mitchell, who also heads the APEC Tariff Data Experts Group, told THE STRAITS TIMES: "Our work has gone extremely well and we are on track towards providing a strategic statement with work plans and achievable targets that will go into the Action Agenda."

Another delegate added that "there is more clarity to what we want to achieve" in the customs blueprint.

He, however, pointed out that given the diverse APEC economies, where countries were at different levels of economic advancement and technology, "it is unlikely that we will impose a must-do-by date" for implementation.

Japanese officials briefing reporters last evening also gave a positive progress report of yesterday's meeting. Japan, which hosts this year's summit in Osaka in November, has been charged with producing an Action Agenda to achieve the free trade targets set in the Bogor Declaration.

They also reported that APEC countries yesterday agreed to carry out a voluntary stock-taking exercise of their existing trade and investment regime as part of the 2020 free trade commitment.

Last night, senior officials held a working dinner to discuss, among other things, the agenda for their special high-level meeting today and tomorrow to flesh out the Osaka Action Agenda.

Said Mr. Tony Miller, Hong Kong's director general of trade: "The leaders have challenged us to do things in new and different ways, we are all very determined to produce a clear road map for the Osaka summit."

Japan

Nuclear Power Cooperation Signed With U.S.

OW1104133795 Tokyo KYODO in English 1258 GMT
11 Apr 95

[FBIS Transcribed Text] Tokyo, April 11 KYODO—Japan and the United States agreed Tuesday [11 April] on a slightly revised pact on cooperation in nuclear power technology, the government's Power Reactor and Nuclear Fuel Development Corp. said.

The agreement was signed by Hiroshi Oishi, the corporation's executive director, and Charles Curtis, undersecretary of the U.S. Department of Energy.

According to the agreement, joint research in nuclear fuel reprocessing, from which the U.S. has withdrawn, will be suspended, while joint research will continue in isotopes and in the dismantling of nuclear reactors until 2000.

The U.S. and Japan have differed in their nuclear fuel reprocessing policies since the administration of President Bill Clinton canceled plans for a fast-breeder reactor and the use of plutonium from other countries.

Japan, meanwhile, has moved forward with its "Monju" fast-breeder reactor program that it hopes will become a commercially operating power supplier by later this year.

Japanese scientists have said the Monju-style reactors use nuclear fuel 60 times more efficiently than conventional uranium reactors, but critics say the reactors also produce fuel that can be diverted to the production of nuclear weapons.

Last September, the international environmental organization Greenpeace charged that under the Japan-U.S. joint research on nuclear fuel management technology, there is suspicion that technology that could lead to the development of nuclear weapons was illegally transferred to Japan.

The U.S. Department of Energy denied that there was any illegal transfer of technology, but the situation made the suspension of joint research unavoidable.

Government Goal To Cut Trade Surplus Possible

OW1204110495 Tokyo KYODO in English 1025 GMT
12 Apr 95

[FBIS Transcribed Text] Tokyo, April 12 KYODO—Finance Minister Takemura on Wednesday [12 April] indicated the possibility of the government setting targets to reduce Japan's huge trade surplus as part of efforts to arrest the yen's rise against the dollar.

Takemura told a news conference, "we must not deny the possibility of the government setting goals (to cut the trade surplus) over a one-year period."

He expressed doubts about making agreements between the Japanese and other governments to set numerical targets for reducing the surplus.

Instead, Takemura stressed the need for further efforts to increase imports by expanding domestic demand and opening Japan's markets, while keeping an eye on the numerical value of the nation's external surplus.

Takemura said that Japan has a current account surplus of 130 billion dollars, but he added that a country having a longstanding trade imbalance with a particular nation naturally provokes a reaction.

Takemura said the yen's recent rapid gains might have adverse effects on the economy, which remains on a moderate recovery path.

The government will continue its utmost efforts to stimulate domestic demand and push Japan's economy into full-scale recovery, taking account of the recent fluctuations in foreign exchange rates, he said.

Takemura reiterated his hopes that the United States will take a positive stance to defend the dollar from further falls.

It is necessary for major nations to devise fresh ideas to stabilize currencies, he added.

At a meeting to be held in Bali, Indonesia, on Saturday and Sunday, finance ministers from member nations of the Asia-Pacific Economic Cooperation (APEC) forum are expected to discuss measures to deal with currency crises such as in Mexico late last year, he said.

"That (Mexico's) experience showed us that the turbulence of one nation's currency affected the entire world," Takemura said.

"It is important to learn lessons to help us in similar cases in future, and this issue will be a matter of concern (at the APEC meeting)," he said.

Meanwhile, Takemura showed his readiness to meet Tokyo Governor-Elect Yukio Aoshima to discuss the Tokyo metropolitan government's financial contribution the bailout of two failed credit unions.

He said the issue of how responsibility should be shared between central and local governments is an important one, adding "I wish to exchange views with (Aoshima) at an appropriate time, if our opinions differ (on the bailout scheme)."

After his election as governor of Tokyo on Sunday, Aoshima confirmed his opposition to the metropolitan government's providing an initially planned 30 billion yen in low-interest loans from Tokyo taxpayers' money to Tokyo Kyodou Bank, which was set up by the bank of Japan and the private financial sector to take over the two dissolved credit unions.

Business Sentiment Worsens at Smaller Firms

*OW1104112295 Tokyo KYODO in English 1110 GMT
11 Apr 95*

[FBIS Transcribed Text] Tokyo, April 11 KYODO—Business confidence worsened at small and medium-size companies in the January-March quarter, reflecting a slow recovery in corporate earnings, a survey report showed Tuesday [11 April].

The business sentiment diffusion index for such companies stood at minus 31.5 in the reporting quarter, a deterioration of 10.1 points from the preceding quarter, said the survey, conducted by the National Association of Shinkin Banks, an industry group for "shinkin" credit associations.

The index represents a percentage share of companies observing better business conditions for a certain period compared with the previous quarter minus that of companies feeling otherwise.

Business sentiment tends to drop during the first quarter of any year as demand is slack during the period, the association said.

The latest index is worse than the minus 27.1 projected three months earlier, the association added.

Compared with a year before, the index for the first quarter improved 8.2 points, it said.

During the reporting quarter, the index stood at minus 31.9 at manufacturers.

Among nonmanufacturers, the index came to minus 40.3 at retailers and minus 33.4 at services companies, the association said.

For the April-June second quarter, the sentiment index is expected to improve to minus 19 with the pickup to be paced by manufacturers.

But the association warned against excessive optimism, saying an expected recovery will not be full scale and is expected to be impacted by negative effects from the strong yen and the Jan. 17 great Hanshin earthquake in western Japan.

The survey was conducted in early March, covering 16,000 small and medium-size companies which have accounts at the nation's credit associations. Of the total, 14,685 companies gave valid answers.

High Yen Driving Firms to Southeast Asia

*OW1204105895 Tokyo KYODO in English 0953 GMT
12 Apr 95*

[FBIS Transcribed Text] Tokyo, April 12 KYODO—An increasing number of small- and medium-sized companies in Japan plan to send missions to Southeast Asia this year, apparently looking for sites to relocate production bases from Japan where the high yen is boosting costs, industry officials said Wednesday [12 April].

Chambers of Commerce and Industry in Fukuoka and Hiroshima Prefectures, for instance, plan to send missions to the Philippines, Vietnam and Hong Kong in December or some member countries of the Association of Southeast Asian Nations (ASEAN) in November, respectively.

Regional public corporations that support small businesses, including those in Ehime and Gifu Prefectures, plan to dispatch missions to such countries as Thailand, Malaysia, Singapore and Indonesia.

The officials said with the yen soaring to the 80 yen level against the dollar, small-business operators expect their parent companies to press them to lower costs.

In order to curb the impact of such pressure, smaller companies want to shift their production bases to countries that have lower costs, the officials added.

Many of the small companies are subcontractors of automakers and other manufacturers, they added.

Over the past few years, China attracted a number of the companies but now southeast Asian nations are preferred because of China's high inflation rate, they said.

Southeast Asian nations are welcoming Japanese companies as a way to allow manufacturers to put out finished goods rather than only parts, they added.

Idea of Yen as Key World Currency Entertained

*OW1204124895 Tokyo KYODO in English 1113 GMT
12 Apr 95*

[FBIS Transcribed Text] Tokyo, April 12 KYODO—The Japanese Government is giving thought to the idea of making the yen the world's key reserve currency, as a way of avoiding exchange risks in the wake of rapid currency fluctuations, government sources said Wednesday [12 April].

By increasing the ratio of yen-denominated trade settlements, Japanese corporations would be less exposed to the huge exchange losses that have gripped them during the yen's rapid rise, said the sources.

But financial observers cast doubt on the idea's practicality, with some of them thinking the step would put further upward pressure on the yen on a short-term basis.

The world's key currency is to be used for trade settlements and financial deals in place of gold. At present, the U.S. dollar plays that role.

The yen's status in the Asian market has been increasing with the yen-denominated ratio surpassing 50 percent for shipments from Japan to such nations as China, newly industrializing economies (NIEs) and countries in the Association of Southeast Asian Nations (ASEAN).

The ratio is said to have reached 25 percent in imports from these countries.

Under the new concept, yen-quoted trade settlements would increase to resist further yen rises, said the sources.

The sources said the Ministry of International Trade and Industry (MITI) has already come up with a logical framework to support the new idea in line with suggestions made by its study group comprising banking officials and scholars.

But MITI does not think the idea would bring about a completely rosy situation for the currency market.

One MITI official admitted that more yen-quoted trade deals would increase demand for the yen, temporarily pushing up the currency's value against the dollar.

Moreover, the sources said the market for effectively raising yen funds and investing them is lacking in view of the immaturity of the domestic short-term securities market.

Coalition Seeks Supplementary Budget for FY95

OW1204130395 Tokyo KYODO in English 1226 GMT 12 Apr 95

[FBIS Transcribed Text] Tokyo, April 12 KYODO—The ruling coalition parties plan to urge the government to formulate a full-scale supplementary budget for fiscal 1995 as a step toward curbing the yen's record-breaking surge, coalition sources said Wednesday [12 April].

The three parties—the Liberal Democratic Party (LDP), Prime Minister Tomiichi Murayama's Social Democratic Party and New Party Sakigake—will press the demand in recommendations to be offered to the government on Thursday.

The government is scheduled to announce on Friday morning a comprehensive pump-priming package intended to check the yen's surge and help get the nation's economy back on its feet.

At a meeting of the coalition's special panel mulling ways to combat the yen's unabated strength, coalition policy-makers pointed to the need for beefed-up international policy coordination, the sources said.

They also agreed they will urge the government to draw up a substantial extra budget to spur domestic demand, increase imports and thereby help slash Japan's massive trade surplus of about 130 billion dollars.

The coalition parties will also press a demand for further government efforts to loosen controls on administrative rules and regulations, the sources said.

The coalition parties are not likely to include the idea of setting numerical targets for trimming Japan's huge trade surplus for fear that such a measure would lead to managed trade, the sources said.

On possible abolition or reduction of a securities transaction tax, the ruling alliance will not include the idea in its recommendations but will consider the matter at its tax commission, they said.

The measure had surfaced within the LDP as a step toward reactivating and liberalizing the Tokyo stock market, and thus helping push the nation's economy onto the path to recovery.

Finance Minister Masayoshi Takemura failed Wednesday to comment directly on whether the government's stimulus package will include such a step, saying only, "it is not appropriate to comment on each and every theme now."

The sources also said the coalition will ask the government to have the United States recognize anew the dollar's role as the key reserve currency at some international settings such as a meeting of finance ministers at the Asia-Pacific Economic Cooperation (APEC) forum set for Saturday and Sunday in Indonesia.

Takemura has revealed he will meet with U.S. Treasury Secretary Robert Rubin in Indonesia to exchange views on the recent yen-dollar exchange rates.

As desirable measures over the medium-to-long term, the coalition parties will also seek the yen's development into a key world currency, further liberalization of Japan's financial markets and measures to revive the long-slumping Tokyo stock market, the sources said.

They will also cite the need for electric power companies and gas suppliers to return to consumers their windfall benefits from the yen's rapid gains in recent months, the sources said.

Government Considers Halting Foreign Tax Break

OW1104145795 Tokyo KYODO in English 1410 GMT 11 Apr 95

[FBIS Transcribed Text] Tokyo, April 11 KYODO—The government is considering freezing a tax exemption on foreigners holding yen-based debts as a step toward curbing the soaring Japanese currency, Finance Ministry sources said Tuesday [11 April].

The one-time measure, which would make some short-term government securities and corporate Euroyen bonds less attractive to foreigners, is controversial as it is sure to rouse the ire of foreign investors and flies in the face of touted efforts at financial liberalization and internationalizing the yen.

The proposal was floated to ruling coalition member New Party Sakigake and leaked to a Western news agency earlier in the day to test the market's reaction, but it is unclear whether it will be included in a package of yen-curbing measures to be compiled Friday, the sources told KYODO NEWS SERVICE.

Watchers at foreign-based firms predicted the measure will not fly.

Jesper Koll, head of economic research at J.P. Morgan Securities Asia Ltd., called the tax exemption freeze proposals "drastic" and said it was "unlikely" they would materialize in the current package, but he noted they are within the power of the Finance Ministry's Tax Bureau to dictate.

Takao Sako, head of yen trading at the Union Bank of Switzerland in Tokyo, said that although the proposals attracted attention, they did not cause the dollar's "technical correction" from Monday's record low and were probably "just an idea."

The proposals would temporarily scrap a rule that exempts foreign buyers of Japanese treasury bills of less than a year maturity and yen-denominated corporate bonds of four years or more from the domestic 18 percent tax on their dividends, the sources said.

They said the government is mulling the foreign tax break move—which could discourage buying by foreign currency holders of yen assets and thus reduce yen demand—out of concern that such already planned measures as expanded domestic deregulation and accelerated public works spending will not halt the yen's seemingly inexorable advance in the currency markets.

Editorial Views Effects of Strong Yen

OW1204115195 Tokyo NIHON KEIZAI SHIMBUN in Japanese 11 Apr 95 Morning Edition p 2

[Editorial: "Benign Neglect of Strong Yen and Weak Dollar Are Destabilizing the International Currency System"]

[FBIS Translated Text] With the trend toward a stronger yen and a weaker dollar continuing unabated, the yen hit a record high of 80 to the dollar. The trend toward a strong yen and weak dollar is not a simple currency issue between Japan and the United States. It has reached the point now where confidence in the international currency system may erode. Japan, the United States and other concerned industrial nations should look beyond the current yen-dollar exchange rate. They need to look squarely at the fact that the international currency system itself is at stake.

The weak dollar and Japan's huge surplus with the rest of the world have combined to accelerate a sharp appreciation of the yen since early March this year. While the dollar has fallen against other major currencies, only the yen has sharply risen against it.

While the United States has suffered a huge trade and current account deficit with the rest of the world, Japan has enjoyed a trade and current account surplus with the rest of the world. As the contrast has continued, the United States' external debts have grown while Japan's

external assets have ballooned. In addition, the imbalance in trade and the current account between the two countries has widened. These factors have combined to make the yen strong and the dollar weak.

The fundamental cause for such a maddening situation continuing is the lack of savings, both in Japan and the United States, and their failure to take concrete measures to correct the imbalance between them.

Needless to say, the market has a habit of overly reacting. The present yen-dollar exchange rate has gone off track. Accordingly, it is essential for Japan, the United States and other major industrial nations to intervene in currency markets and coordinate financial and monetary policy. They must do this without delay.

It is important for both Japan and the United States to shape their respective effective policies to correct the imbalance in bilateral trade and their current accounts, redress the imbalance in their trade and current accounts with the rest of the world, and correct the imbalance in their domestic savings and investment. The absence of effective policies in these areas has allowed currency speculators to push currency markets around, thereby making the future of the yen-dollar exchange rate very unpredictable.

We believe that both Japan and the United States are being asked to push "Japanese reform" and "American reform" that can turn the bases of their economies and societies around.

As we have repeatedly pointed out in this editorial, tricky measures to halt the yen from rising against the dollar is a mere allopathy and falls short of the needed full-fledged "reform" of the yen. The government should stop the conventional treatment of hurriedly unveiling a package of makeshift measures to deal with the strong yen, and saying: "The yen is appreciating, and this could cause big problems." Previous packages of measures to deal with the strong yen have already proved useless.

As the world's top two economic powers, the United States and Japan must pay attention to the fact that, given the importance of their economies in the world, the current turmoil in the yen-dollar exchange rate has the potential to undermine the international currency system.

As an important nation whose currency is used as the world's key currency, the United States lacks such awareness, and this is triggering another crisis. Far from appreciating the importance of its position, the United States is instead discussing how to cut taxes at a time when the dollar is depreciating. The United States is showing no signs of seriously cutting back its federal budget deficit.

While the yen's value against the dollar has risen over the past 10 years since the "Plaza Agreement" was announced in 1985, the internationalization of the yen turns out to come to naught.

Benign neglect by Japan and the United States of the strong yen and the weak dollar is worrisome.

Ministry To Cut Rate on Financing Bills

*OW1204124095 Tokyo KYODO in English 1133 GMT
12 Apr 95*

[FBIS Transcribed Text] Tokyo, April 12 KYODO—The Finance Ministry said Wednesday [12 April] it will cut the discount rate on financing bills to 1.500 percent from the current 1.625 percent, starting with Friday's issue.

The cut will lower the short-term securities' yield to subscribers to 1.503 percent from 1.629 percent, the ministry said.

The discount rate on financing bills is usually changed when the Bank of Japan (BOJ) changes the interest rate it charges on loans to commercial banks.

The ministry said it decided to lower the securities rate as the BOJ's recent move to steer short-term interest rates lower may lead market rates to fall below the central bank rate.

The cut in financing bill rate independent of the BOJ rate will be the first in 27 years.

SDP To Ask Cuts in Key Rate, Corporate Tax

*OW1204060795 Tokyo KYODO in English 0539 GMT
12 Apr 95*

[FBIS Transcribed Text] Tokyo, April 12 KYODO—Prime minister Tomiichi Murayama's Social Democratic Party (SDP) [Social Democratic Party of Japan—SDPJ] agreed Wednesday [12 April] to demand inclusion of a 1 percentage-point cut in the official discount rate and a study to reduce corporate taxes, in an economic package to be unveiled by the government Friday, party officials said.

The measures were part of the SDP's draft package designed to help arrest the yen's recent steep appreciation, that has threatened to undermine Japan's economic recovery by cutting deep into the export earnings of many companies.

The discount rate, charged on central bank loans to private financial institutions, is already at a record low of 1.75 percent per annum.

The proposals are included in a report to be submitted to a project team of the ruling coalition parties, SDP officials said.

The report also proposes as short-term measures the appointment of a new minister in charge of overseas economic relations, the cutting of money exchange commissions for the U.S. Dollar and improving the dollar-denominated savings system in Japan, they said.

As medium-term steps, the report advises the government consider lowering corporate taxes, raise the transaction tax rate on foreign exchange trading and set a quota for government purchase of materials from overseas for domestic public works projects, they said.

EPA: Yen Rise May Adversely Effect Economy

*OW1104014395 Tokyo KYODO in English 0008 GMT
11 Apr 95*

[FBIS Transcribed Text] Tokyo, April 11 KYODO—The yen's recent sharp rise and stock price falls may have adverse effects on Japan's economy, the Economic Planning Agency (EPA) said Tuesday in a monthly economic report.

In its report for April, the agency used the words "adverse effects" for the first time in describing the impact of foreign exchange movements on the economy, said an EPA official briefing reporters.

Despite such pessimistic wording to describe financial developments, including the recent stock price tumble, however, the monthly report said Japan's economy remains on a gradual recovery trend, noting that corporate investment in general "stopped falling."

From December through March, the EPA described corporate investment as "broadly sluggish."

The EPA official said, "the wording 'stopped falling' means investment activity is in the final stage of adjustment," though he admitted part of the manufacturing sector is still stagnating in investment.

Personal consumption continues to recover moderately in general and housing construction is moving at a high level, while industrial production is on a gradual upward trend despite some ups and downs.

Regarding the Jan. 17 Great Hanshin earthquake, the official said, "the effect is limited to the devastated areas and its neighboring areas. From a macroeconomic viewpoint, the quake's effect is small."

The quake partly contributed to January falls in private consumption, production and external trade, the report said.

Watching export and import figures for February, the quake's effect seems to have vanished, the official said.

"Japan's economy is on a gradual rise in general. But we have to closely watch foreign exchange market developments. There may be a risk to push down the economy due to the yen's appreciation," the official said.

The report said the government will try to take appropriate and prompt steps to ensure economic recovery and to cope with volatile movements on the foreign exchange market and a protracted stock market slump.

Asked how long the time lag will be for the yen's rise to impact the economy, the official said, "we have no idea because other economic factors change from one time to another."

According to the report, corporate confidence is recovering, except at smaller nonmanufacturers, but the employment situation, particularly in the manufacturing sector, remains severe.

Commercial Bank Lending Down 1.6% for FY94

OW1104123895 Tokyo KYODO in English 1145 GMT 11 Apr 95

[FBIS Transcribed Text] Tokyo, April 11 KYODO—Lending by Japan's 11 commercial banks fell by 1.6 percent or 3,605.6 billion yen in fiscal 1994 from the previous year, posting the second straight year of decline for the first time, an industry group said Tuesday [11 April].

The outstanding balance of lending came to 218,366.7 billion yen at the end of fiscal 1994 on March 31, the Federation of Bankers Associations of Japan said in a preliminary report.

The 1.6 percent decline was bigger than the first yearly fall of 0.6 percent marked in fiscal 1993, the federation said.

Corporate demand for both capital investment and operating funds remained dull, and individual demand both for housing and consumption loans also continued to be poor.

On a month-to-month basis, lending inched down 0.03 percent or 71.5 billion yen in March, the 15th consecutive month of yearly decreases in the balance of lending since January 1994.

Total deposits in fiscal 1994 fell 1.0 percent or 1,958.3 billion yen from the previous year, compared to a 2.0 percent rise in fiscal 1993 and drops of 3.6 percent in fiscal 1992 and 5.3 percent in fiscal 1991.

Real deposits in March grew 1.9 percent from February, with the month-end balance at 185,766.6 billion yen, up 0.2 percent from a year before. Real deposits exclude checks and bills.

Lending by three long-term credit banks declined 1.4 percent or 652.8 billion yen in fiscal 1994 from the previous year, the second annual fall following a 0.2 percent dip in fiscal 1993. Their combined year-end balance came to 46,793.3 billion yen.

Lending by seven trust banks increased 7.1 percent or 1,817.8 billion yen from the year before, following rises of 4.1 percent in fiscal 1993 and 9.7 percent in fiscal 1992, with the year-end balance at 27,243.6 billion yen.

Tokyo 'Surprised' at EU's Marine Imports Ban

OW1204044395 Tokyo KYODO in English 0355 GMT 12 Apr 95

[FBIS Transcribed Text] Tokyo, April 12 KYODO—Japan is surprised by a ban by the European Union (EU)

on imports of all Japanese marine products, the top government spokesman said Wednesday.

"We were very surprised at the total ban decision," Chief Cabinet Secretary Kozo Igarashi said at a news conference.

Igarashi said the European Commission did not notify Japan of the move in advance.

The commission said its team of experts sent to Japan in March to check the processing of marine products being exported to Europe found that Japanese management and sanitary standards fell short of requirements.

Igarashi said it is "amazing" that the commission decided on a total ban on imports of Japanese marine products, as its on-site check was a limited one.

The commission said Japanese producers "do not comply with Japanese authorities' assurances," and the conditions of production at factories in Aomori Prefecture, northern Japan, present "grave faults in hygiene and management which could constitute a risk to the protection of public health."

The import into the EU of all marine products originating from Japan will be suspended "until there is an improvement in hygiene and product control," it said.

In April 1994, the commission lifted a ban on imports into the EU of Japanese scallops, used for sushi, after imposing curbs on imports of the shellfish in March 1992, but an import ban on some other shellfish remained in place.

Igarashi said Tokyo plans to hold expert-level talks with the EU on the matter. He declined to comment on any possible retaliatory action.

Tokyo To Support Trans-Asia Railway Project

OW1004075695 Tokyo KYODO in English 0719 GMT 10 Apr 95

[FBIS Transcribed Text] Tokyo, April 10 KYODO—Japan will provide financial and technological support to Kazakhstan for consolidation of the trans-Asia railway linking China with Europe and Turkey via central Asia, Transport Ministry officials said Monday [10 April].

The officials said the government has offered to extend 13 billion yen in low-interest yen loans to Kazakhstan to finance the project which will feature improvement of facilities at a railway station on the border between China and the former Soviet Union.

They said railways in China and the former Soviet Union have different gauges, requiring travelers on the railway to change trains at the border station.

The officials said experts from Japan railway and other institutions will be dispatched to Kazakhstan to provide technological and management assistance after a formal aid accord is reached between the two countries.

Completion of the project will contribute to economic development of areas along the railway and speed up cargo transport between Japan and Europe, the officials said.

Gaydar Sees No Immediate Positive Move in Ties

OW1104112195 Tokyo KYODO in English 1024 GMT 11 Apr 95

[FBIS Transcribed Text] Tokyo, April 11 KYODO—Former Russian First Deputy Premier Yegor Gaydar told Japan on Tuesday [11 April] it is unlikely there will be any positive moves in the near future regarding the existing problems between Russia and Japan, including the long-running territorial dispute, a Foreign Ministry official said.

Gaydar, a champion of Russia's economic reform campaign and now the leader the Democratic Choice Party, made the comment in a 40-minute meeting with Foreign Minister Yohei Kono, citing the scheduled parliamentary elections in December as a stumbling block to progress in solving the bilateral problems.

He told Kono, however, that he is convinced that pledges made when Russian President Boris Yeltsin visited Japan in 1993 will be implemented in the longer run.

During Yeltsin's visit to Tokyo, Japan and Russia signed the so-called Tokyo declaration which called for a solution to the bilateral territorial row based on the principles of "law and justice."

Yeltsin also said during that visit that Russia would withdraw all its from the disputed islands off Japan's northernmost main island of Hokkaido. But late last month, a Russian Foreign Ministry official denied Moscow's obligation to pull out its troops.

Kono urged Gaydar to convey to the Russian side Japan's hopes that Yeltsin will fulfill his commitment to withdraw the troops from the islands, the official said.

Some 7,000 Russian military personnel were stationed on the islands as of July 1992, according to statistics of the Japanese Foreign Ministry.

Japan has been demanding the return of the four islands—Etorofu, Kunashiri, Shikotan and the Habomai islets—since the former Soviet Union seized them at the end of World War II.

Turning to the situation in the breakaway Republic of Chechnya, Gaydar told Kono the risks initially feared—that a split in democratic forces might and that Moscow might renounce economic reforms—have diminished because Yeltsin did not change plans to hold the elections and ensured freedom of the press.

Kono was quoted as telling Gaydar that Japan plans to support Moscow as long as it continues efforts for reforms.

Gaydar Meets LDP Leaders

OW1104100795 Tokyo KYODO in English 0831 GMT 11 Apr 95

[FBIS Transcribed Text] Tokyo, April 11 KYODO—Senior Liberal Democratic Party (LDP) lawmakers agreed Tuesday [11 April] with Yegor Gaydar, head of Russia's democratic choice party, to promote ties between the two parties.

The senior LDP members, including Vice President Keizo Obuchi and Secretary General Yoshino Mori, proposed developing exchanges between local organizations of the two parties as well as between Japanese areas on the Sea of Japan coast and Russia's Far East region.

The two sides agreed to consider concrete exchange programs under the framework of the Japan-Russia parliamentary leagues, LDP officials said.

Gaydar told the LDP legislators the situation in the rebellious Republic of Chechnya is returning toward stability, stressing that no major effects on the overall Russian security condition are expected, according to the LDP officials.

Gaydar, in an interview with KYODO NEWS SERVICE, said, however, that President Boris Yeltsin's military invasion of Chechnya has been a "serious mistake."

He nevertheless gave high marks to Yeltsin's anticorruption campaigns and economic reform measures, saying he will determine his stance toward Yeltsin's policy on a case-by-case basis.

Concerning the presidential election scheduled for June 1996, Gaydar said his party will decide who to support after examining the results of the lower house elections in December.

Gaydar, also a champion of Russia's economic reform campaign, arrived in Japan on Sunday for a four-day visit.

Qiao 'Indirectly' Seeks Review of War Resolution

OW1004134795 Tokyo KYODO in English 1317 GMT 10 Apr 95

[FBIS Transcribed Text] Tokyo, April 10 KYODO—Qiao Shi, the visiting head of China's legislature, urged Japan on Monday [10 April] to seriously review its history, indirectly seeking Japanese Diet passage of a war-renouncing resolution.

"I hope (both nations) can deepen mutual understanding further, and promote friendly relations after reviewing the experiences and lessons of history seriously," said Qiao, who is on an eight-day official visit to Japan starting Monday.

Qiao, chairman of the Standing Committee of the National People's Congress (NPC), made the remarks at

a banquet co-sponsored by House of Representatives speaker Takako Doi and House of Councillors President Bunbei Hara.

Qiao is visiting Japan at the invitation of the two Diet chiefs.

Doi told the banquet, "friendly relations between the two nations will contribute largely to peace in Asia and the world."

Ahead of his first visit to Beijing as premier May 2-6, Japanese Prime Minister Tomiichi Murayama has urged leaders of the three ruling coalition parties to complete the drafting of a resolution declaring that Japan will not wage war again.

But some conservative Diet members belonging to the Liberal Democratic Party (LDP), the largest among the ruling coalition parties which include Murayama's Social Democratic Party, have been opposed to such a resolution.

In China, major national dailies have carried editorials attacking moves among Japanese politicians to oppose the resolution.

It is the first trip to Japan by a top leader of China's parliament since then NPC Chairman Wan Li visited in 1992 and is Qiao's first visit to Japan since 1984.

While in Tokyo, Qiao will hold talks with Murayama and Foreign Minister Yohei Kono. He will also meet Emperor Akihito and Empress Michiko, Japanese officials said.

Qiao will discuss business matters with business leaders in Nagoya, central Japan, and in Osaka, where the Asia-Pacific Economic Cooperation (APEC) forum will hold this year's annual meeting in November.

Qiao will then head for South Korea as the first Chinese parliamentary leader to visit that country, where he will stay until April 22.

More on Qiao Shi Statements

OW1104122195 Tokyo KYODO in English 1210 GMT
11 Apr 95

[FBIS Transcribed Text] Tokyo, April 11 KYODO—Chinese parliamentary leader Qiao Shi on Tuesday [11 April] said China is not, and will not become, a superpower and will continue making efforts toward world peace.

Qiao, chairman of the Standing Committee of the National People's Congress, made the remarks during a welcoming reception hosted by House of Representatives speaker Takako Doi and House of Councillors President Bunbei Hara.

"Assuming China in the future will accomplish modernization to last for several generations, it will not become a superpower and will be contributing to world peace and development," he said.

Qiao, who arrived in Tokyo on Monday for an eight-day visit, also indirectly expressed hope that the Japanese Diet will adopt a no-war resolution.

"Japan's war of aggression had caused serious hazards to the Chinese people and also brought about many calamities to the Japanese people," the Chinese official said during the reception held at Hara's official residence.

Qiao also said he hopes Japan builds a friendship with China through lessons learned from history.

Hara said it is important that the two countries cooperate with "future-oriented" stances, while Japan looks squarely at its history with deep regrets and agrees not to repeat its mistakes.

The Social Democratic Party headed by Prime Minister Tomiichi Murayama, the Liberal Democratic Party (LDP) and New Party Sakigake, the three ruling parties in the coalition, had planned to seek a Diet resolution that Japan will not wage war again.

However, some members of the LDP, the largest of the three parties, oppose the resolution.

PRC Urged To Resolve Spratly Issue Peacefully

OW1104082695 Tokyo KYODO in English 0759 GMT
11 Apr 95

[FBIS Transcribed Text] Tokyo, April 11 KYODO—Prime Minister Tomiichi Murayama on Tuesday [11 April] urged China to solve problems over the disputed Spratly islands in the South China Sea in a peaceful manner, a Foreign Ministry official said.

Murayama made the call during a 20-minute meeting with Qiao Shi, the head of China's legislature who is on an eight-day visit to Japan that started Monday.

It was the first time for Murayama to officially comment on the controversy over the Spratlys—a group of potentially oil-rich islands, reefs and atolls claimed by China, Vietnam, Taiwan, the Philippines, Malaysia and Brunei.

Qiao, chairman of the Standing Committee of the National People's Congress (NPC), told Murayama that the Spratlys have historically been Chinese territory.

Beijing is proposing joint development of the islands, Qiao was quoted as saying, and that it hopes to resolve the dispute peacefully by taking "adequate" measures.

Also in the meeting, Murayama told Qiao that maintaining friendly relations with China based on the 1972 joint declaration is one of Japan's diplomatic pillars, the official said.

The declaration, which established diplomatic ties between Japan and China, says Japan recognizes Beijing as the only legitimate China.

Referring to the 50th anniversary of the end of World War II, Murayama said that based on remorse for past

history, Tokyo hopes to develop relations with Beijing for peace and stability of the future.

Japan intends to cooperate with China's efforts for modernization, Murayama also told Qiao.

Qiao, quoting a Chinese saying one should not forget the past but turn it into a lesson for the future, said Beijing wants to promote its relations with Japan by "correctly acknowledging the past" and working to lay the foundation of bilateral ties toward the 21st century.

Murayama and Qiao did not discuss the proposed no-war resolution by the Japanese diet, the official said.

Meanwhile, the official said Japan and China have formally agreed on Murayama's trip to China from May 2 to 6 but that details of the itinerary will further be worked out between the two sides.

Murayama was quoted as telling Qiao that he hopes the trip will help enhance bilateral ties.

The Japanese prime minister also expressed condolences over the death Monday of hard-line revolutionary leader Chen Yun.

Qiao had confirmed the death during a meeting earlier Tuesday with House of Representatives speaker Takako Doi, the official said.

Hashimoto Touts Environment Policy to Qiao

OW1204111195 Tokyo KYODO in English 1022 GMT 12 Apr 95

[FBIS Transcribed Text] Tokyo, April 12 KYODO—Trade Minister Ryutaro Hashimoto discussed Japan's environment policy with visiting Chinese legislative chief Qiao Shi on Wednesday [12 April], offering it as an example as Beijing struggles with industrial pollution.

The head of the Ministry of International Trade and Industry (MITI) met briefly with Qiao, chairman of the Standing Committee of the National People's Congress, who is on an eight-day visit to Japan to meet government and industry leaders.

When Hashimoto praised China's rapid economic development during their 20-minute meeting at the Akasaka State Guesthouse, Qiao responded that the country faces many problems and both agreed that the environment is one such problem, a MITI official said.

Japan's environmental woes were growing more tangible until the country set up the Environment Agency in the 1970s and gradually eased the burden of environmental policies on cities through tax incentives, aid and loans, Hashimoto said, adding that the process spawned new businesses, the official told reporters.

The two did not mention the issue of China raising taxes on foreign businesses operating there or a proposed Japanese Diet resolution renouncing war, the official said.

On Monday, Qiao indirectly urged the Diet to pass the resolution. A major Chinese daily blasted Hashimoto last week for his equivocal statements on Japan's aggression in World War II.

Qiao, who has met with Prime Minister Tomiichi Murayama, House of Representatives speaker Takako Doi and House of Councillors President Bunbei Hara, will meet with Foreign Minister Yohei Kono, Emperor Akihito and Empress Michiko and business leaders before leaving for South Korea on Monday.

DPRK Said To Possess 12 Kilos of Plutonium

OW1204123895 Tokyo KYODO in English 1145 GMT 12 Apr 95

[FBIS Transcribed Text] Tokyo, April 12 KYODO—North Korea had already extracted about 12 kilograms of plutonium by 1989, enough to make two atomic bombs, a member of a think tank affiliated with the South Korean Ministry of Foreign Affairs said in Tokyo on Wednesday [12 April].

Yun Duk-min, research professor at the ministry's Institute of Foreign Affairs and National Security, told delegates at the 28th Conference of the Japan Atomic Industrial Forum, that the estimate is based on "most credible intelligence estimates."

Yun told a panel discussion on nuclear nonproliferation at the conference that discussions between the United States and North Korea over the supply of the South Korean-type "Korean standard" light-water reactor to North Korea have exposed one possible weak point.

Noting that there would be no special inspection until five years from now when key components of the reactors are transported to the North, Yun said there is a danger that in that time the North could manufacture a bomb with the plutonium it had already extracted.

"This means North Korea was given 10 years, enough to develop and even sophisticate its nuclear weapon technology with the plutonium already extracted," Yun said.

But Yun said despite this "ambiguity," South Korea accepted the proposal for the supply of the reactors because it will mean not only an exchange of commodities and technology between the two Koreas, but also "large-scale direct exchanges of people."

The reactors would be supplied by the international consortium known as the Korean peninsula energy development organization, as part of an agreement reached between the U.S. and North Korea in October.

Under the agreement, North Korea undertook to replace its graphite-moderated nuclear reactors, which the U.S. says are more easily capable of producing plutonium for use in nuclear weapons.

Kim Tae-chung's Official Visits Since Abduction

Thanks Compatriots, Japanese

OW1004103895 Tokyo KYODO in English 0948 GMT
10 Apr 95

[FBIS Transcribed Text] Narita, Japan, April 10 KYODO— Former South Korean opposition leader Kim Tae-chung thanked the Japanese people and his compatriots in Japan on Monday [10 April] for having acted to rescue him when he was kidnapped from Tokyo in 1973 and sentenced to death in 1980 in South Korea.

Kim made the remarks during a news conference after arriving at Narita Airport, east of Tokyo, for his first formal visit to Japan in about 22 years since the abduction.

He read out a Korean-language statement, saying, "I came here to thank with all my heart the Japanese people and my compatriots in Japan who had engaged in activities to rescue me from the abduction and the subsequent death sentence."

The former opposition leader said he feels as though he has now accomplished a long-cherished desire.

Kim, however, said he has not given up his demands to the Japanese and South Korean Governments to make the truth of the kidnapping clear.

On Aug. 8, 1973, while in Tokyo promoting opposition activities against the authoritarian rule of then President Pak Chung-hi, Kim was kidnapped from a hotel by a group of men and taken to Seoul.

Shortly after his release on the streets of Seoul five days later, the South Korean Government put him under house arrest.

Kim's abduction developed into a major diplomatic row and strained bilateral relations after Japanese police identified one of the kidnappers as a South Korean embassy official. He has indicated he is not interested in discussing the abduction case with Tokyo Metropolitan Police Department officials who would like to follow up their questioning of Kim. Their last opportunity was in October 1993 when Kim made a transit stop in Japan.

In September 1980, Kim was sentenced to death for allegedly plotting rebellion, and the ruling brought about international protest. He was released in December 1982 after his sentence was commuted and suspended.

Kim retired from political life after his defeat by long-time rival Kim Yong-sam in presidential elections in late 1992.

During his visit through Sunday, Kim will meet with Prime Minister Tomiichi Murayama, former Prime Minister Toshiki Kaifu who heads Shinshinto (New Frontier Party), Japan's largest opposition party, and former Prime Minister Noboru Takeshita, who is also head of the Japan-(South) Korea Parliamentarians

League. He is also scheduled to address the Foreign Correspondents Club of Japan and the Japan National Press Club.

On Thursday, he will visit Kobe, which bore the brunt of the great Hanshin earthquake on Jan. 17 that killed 5,501 people, including scores of Korean residents.

Meets With Murayama

OW12040 395 Tokyo KYODO in English 0515 GMT
12 Apr 95

[FBIS Transcribed Text] Tokyo, April 12 KYODO— Japan should "liquidate" its past with South Korea in a bid to foster truly friendly relations between the two neighboring countries, former South Korean opposition leader Kim Tae-chung said Wednesday.

"South Korea and Japan must live together. Therefore, the past should be correctly liquidated," House of Councillors member Hideo Den quoted Kim as saying in a meeting with Prime Minister Tomiichi Murayama.

"At the same time, the two countries have to promote friendly relations for the future...I believe Japanese people with good sense will liquidate the past and foster friendly ties," Kim was quoted as saying.

Specifically, Kim proposed that Murayama spearhead a drive for increased exchanges at all levels between the two nations, said Den, who was present at the meeting at the Premier's official residence.

Kim also expressed hope that the Japanese Parliament will adopt this year a resolution vowing not to wage war ever again, saying the question of the proposed declaration is also a matter of concern in South Korea. This year marks the 50th anniversary of the end of World War II.

The Korean peninsula was under Japanese colonial rule in 1910-45.

Kim, who arrived in Japan on Monday for a weeklong stay, also spoke of the need to resolve the issue concerning so-called "comfort women" who were forced into sexual slavery by the Japanese military before and during the war.

Historians estimate the Japanese Imperial Army recruited 80,000 to 100,000 women, mostly Koreans, and sent them to military brothels.

During the 25-minute session, Murayama told Kim that he wishes to resolve the issue of Japan's past with other Asian countries this year, adding he supports Kim's view on the need for increased exchanges between Japan and South Korea.

On Aug. 8, 1973, while in Tokyo promoting opposition activities against the authoritarian rule of then South Korean President Pak Chung-hui, Kim was kidnapped from a hotel by a group of men and taken to Seoul.

Kim's abduction developed into a major diplomatic row and strained bilateral relations after Japanese police identified one of the kidnappers as a South Korean embassy official.

In September 1980, Kim was sentenced to death for allegedly plotting to overthrow the government. He was released in December 1982 after his sentence was commuted and suspended.

Kim retired from political life after his defeat by long-time rival Kim Yong-sam in presidential elections in late 1992.

He expressed regret that the truth of his abduction case has been left in the dark, Den said. Murayama replied that Japan is still trying to get to the heart of the matter though it was resolved on the government-to-government level, Den said.

Kim and Murayama agreed that the possible resumption of Japan-North Korea talks on normalizing bilateral ties should lead to dialogue between North and South Korea, Den said.

Urges Easing of Bilateral Rift

OW1204091895 Tokyo KYODO in English 0843 GMT 12 Apr 95

[FBIS Transcribed Text] Tokyo, April 12 KYODO—Former South Korean opposition leader Kim Tae-chung called Wednesday [12 April] for efforts by both Japan and South Korea in solving the existing rift between the two sides over Japan's colonial rule of the Korean peninsula between 1910 and 1945.

At a news conference at the Japan National Press Club, Kim said lack of correct understanding on both sides has prevented new, friendly and cooperative relations even after 30 years of normalization of ties between Japan and South Korea.

It is important for Japan to "correctly acknowledge" history and make "spontaneous" efforts to liquidate the past, the 70-year-old Kim said, while South Korea should not continue to stick to the past but try to understand more about Japan in the post-World War II era.

The South Korean people do not know much about such things as Japan's pacifist constitution, its large-scale foreign economic aid and its three-point nonnuclear policy of not introducing, possessing or producing nuclear arms, he said.

They also do not know that a large number of Japanese people have the determination not to repeat the past, he said.

Kim, who has been in Japan since Monday for a week-long stay, also said South Korea should gradually open its doors to accept Japanese culture, saying it would in turn help develop South Korean culture.

As a way to help ease the discord between Japan and South Korea, Kim proposed that Japanese and South Korean scholars conduct joint historical studies and that exchanges of people be promoted at all levels between the two nations.

Turning to North Korea, Kim said South Korea basically supports Japan's efforts to improve ties but Japan should maintain close contact with Seoul and that any improvement in Tokyo-Pyongyang ties should lead to improvement in South-North relations.

he also said Japan's cooperation is essential in achieving the unification of the two Koreas, saying that would in turn "greatly help Japan to liquidate the past and foster new, reconciliatory, cooperative relations between Japan and South Korea."

Making his first visit to Japan in 22 years after being kidnapped from a Tokyo hotel in 1973, Kim expressed hope that the truth of the incident will be revealed.

Kim was kidnapped by a group of men on Aug. 8, 1973, while in Tokyo promoting opposition activities against the authoritarian rule of then South Korean president Pak Chung-hi.

Japanese police identified one of the kidnappers as a South Korean embassy official.

Kim told the news conference "it is clear" that South Korea's high authority was involved in the kidnapping.

Japan and South Korea reached a "political settlement" in November 1973, agreeing to blame the kidnapping solely on the South Korean diplomat.

In September 1980, Kim was sentenced to death for allegedly plotting to overthrow the government. He was released in December 1982 after his sentence was commuted and suspended.

Kim, who retired from political life after his defeat by longtime rival Kim Yong-sam in presidential elections in late 1992, said he does not plan to resume political activities.

Murayama Meets ROK-JFA Chairman Kim Su-han

OW1104134495 Tokyo NIHON KEIZAI SHIMBUN in Japanese 7 Apr 95 Morning Edition p 2

[FBIS Translated Text] Prime Minister Tomiichi Murayama held talks with Kim Su-han, chairman of the ROK-Japan Friendship Association [JFA], for about 20 minutes at the prime minister's official residence on 6 April. With regard to resumption of talks between Japan and the DPRK on normalizing diplomatic relations, Chairman Kim stated: "We are concerned over the timing. North Korea is attempting to create a rift between Japan and the ROK." In this way, he expressed his strong concern over resumption of talks between

Japan and North Korea while North Korea is rejecting the ROK-type light-water reactors.

Secretary Kim Yong-sun of the Workers' Party of Korea [WPK] had stated that the governmental talks to be resumed will be based on the 1990 tripartite joint declaration which admits "post-war compensations." Touching on these remarks, Chairman Kim pointed out that "it will be difficult for North Korea to carry on talks with Japan."

Angolan Prime Minister on Official Visit

*OW1104100395 Tokyo KYODO in English 0849 GMT
11 Apr 95*

[FBIS Transcribed Text] Tokyo, April 11 KYODO—Angolan Prime Minister Marcolino Moco called on Japan on Tuesday [11 April] to support his country's efforts to achieve peace and to offer financial aid to help for its reconstruction, a Japanese Foreign Ministry official said.

Moco, who is in Japan from Monday through Friday, made the request in a 15-minute meeting with Prime Minister Tomiichi Murayama, the official said.

Moco was quoted as saying he wants to continue efforts to implement a U.N.-sponsored peace agreement signed last November between the government and the National Union for the Total Independence of Angola (UNITA).

He told Murayama he hopes Japan will not only back Angola's efforts for peace but extend emergency aid for refugees from the long civil war and cooperate in reconstructing Angola by using its experience in recovering from the devastation of World War II, the official said.

Tens of thousands of people have been killed and millions displaced during the Angolan civil war, which erupted when the southwest African nation gained independence from Portugal in 1975.

Murayama told Moco that Japan will study possible cooperation after discussing the matter further.

Japan welcomes moves toward stability in the southern part of Africa, as in South Africa and Mozambique, Murayama said, adding that Tokyo hopes Moco will smoothly implement the peace accord, according to the official.

Supports UN Seat Bid

*OW1104145895 Tokyo KYODO in English 1405 GMT
11 Apr 95*

[FBIS Transcribed Text] Tokyo, April 11 KYODO—Angola offered basic support to Japan in its attempt to become a permanent member of the UN Security Council and to be elected as a nonpermanent council member for the 1997-1998 term, a Foreign Ministry official said.

Angolan Foreign Minister Venancio de Moura, during a meeting he attended between Angolan Prime Minister Marcolino Moco and Japanese foreign Minister Yohei Kono, said Angola basically backs Japan but would need to study its official response as it also supports bids by countries representing developing nations, the official said.

Moco himself had earlier said Angola supports Japan's wish to obtain permanent membership after talks with his Japanese counterpart Tomiichi Murayama, according to the official.

Kono told the Angolan leaders Japan will consider supporting permanent Security Council membership for "about three countries" from Asia, Africa and Latin America—in addition to itself and Germany—which have the capacity to assume global responsibilities in maintaining peace and security.

It is the first time Kono has stated a number of countries Japan thinks should be in a reformed Security Council.

The current council has five permanent members—Britain, China, France, Russia and the United States.

Also in the 40-minute meeting, Moco, who is on a five-day visit to Japan, reiterated calls on Japan to support the southwestern African country's efforts to achieve peace and to offer financial aid for the nation's reconstruction and to help refugees.

Kono told the Angolan side that Japan plans to send a mission to Angola in June to study possible economic cooperation, the official said.

Earlier in the day, Hiroshi Hirabayashi, director general of the ministry's Economic Cooperation Bureau, held talks with De Moura and said Japan wants to extend aid for projects aimed at improving Angola's infrastructure, particularly water supply, education and medical services.

Tokyo Grants Aid to Developing Nations

Burma: 1 Billion Yen

*OW0604125795 Tokyo KYODO in English 1239 GMT
6 Apr 95*

[FBIS Transcribed Text] Yangon [Rangoon], April 6 KYODO—Japanese Deputy Foreign Minister Hiroshi Fukuda called on Myanmar [Burmese] Foreign Minister Ohn Gyaw and National Planning and Economic Development Minister Brig. Gen. David Abel separately Thursday in Yangon, the government news agency said.

The details of their talks were not immediately known. Official sources only indicated that Fukuda discussed bilateral economic relations with Abel.

In late March, Japan partially lifted curbs on its official development assistance to Myanmar suspended since

the military coup in 1988, by extending a grant-in-aid of up to 1 billion yen to help the country increase food production.

Japanese Government officials said they hope such aid will encourage the military rulers to release pro-democracy leader Aung San Suu Kyi, who has been under house arrest since July 1989.

But U.S. officials have voiced displeasure at the move, calling it "a mistake."

Japan announced an official development assistance guideline in 1992 that sets military spending trends, establishment of democracy and progress in the human rights record of the recipient country as preconditions for aid.

Accompanied by Shigeo Matsutomi, director of first Southeast Asia Division of the Foreign Ministry, Fukuda arrived in Yangon Wednesday evening. He is scheduled to meet with Lt. Gen. Khin Nyunt, secretary of the ruling state Law and Order Restoration Council, on Friday.

Fukuda is the third high-level Japanese official to visit Myanmar since the 1988 military takeover.

Syria: 568 Million Yen

OW0704094295 Tokyo KYODO in English 0824 GMT 7 Apr 95

[FBIS Transcribed Text] Tokyo, April 7 KYODO—Japan on Friday [7 April] offered Syria up to 568 million yen in grants for a project to improve its facilities for food control, the Foreign Ministry said.

Government officials from the two countries exchanged notes on the aid in Damascus earlier in the day, the ministry said.

The funds will be used to purchase equipment for food quality control laboratories in Damascus, Aleppo, Latakia and Homs.

Equipment that was set up between 1980 and 1988 with the cooperation of the UN Food and Agriculture Organization (FAO) is old and unable to conduct various food inspections, the ministry said.

Guinea: 465 Million Yen

OW0704120095 Tokyo KYODO in English 1013 GMT 7 Apr 95

[FBIS Transcribed Text] Tokyo, April 7 KYODO—Japan will give guinea up to 465 million yen in a grant-in-aid to cooperate in its project to promote fisheries in the country, the Foreign Ministry said Friday [7 April].

Japanese Ambassador to Guinea Keiichi Kitaban and Guinean Minister of Planning and Cooperation Michel Kamano exchanged notes on the Japanese aid in Conakry earlier in the day, the ministry said.

The aid will be used to purchase fishing equipment to boost the industry in Guinea.

Governor Elect Vows To Scrap Tokyo Urban Fair

OW1004142195 Tokyo KYODO in English 1235 GMT 10 Apr 95

[FBIS Transcribed Text] Tokyo, April 10 KYODO—Tokyo Gov.- Elect Yukio Aoshima said Monday [10 April] he will scrap the planned world city exposition in Tokyo and revise the 8 trillion yen Tokyo waterfront development project according to his election campaign promises.

Aoshima, 62, beaming after his victory in Sunday's Tokyo gubernatorial election, also said in an interview with KYODO NEWS SERVICE that the Tokyo metropolitan government will use no public funds to help rescue two financially troubled credit unions, which have been merged into a new bank, as sought by the central government.

"I want to aim for open politics in the Tokyo metropolitan government," said Aoshima, a former member of the House of Councillors, and former television personality and novelist.

Asked about the Tokyo urban exposition being planned for next March, for which ticket sales commenced last September, Aoshima said, "proceeding with hosting (the exposition) will eventually increase the burden on people in Tokyo."

"I want to resolve to suspend it," he said.

Aoshima also said it is necessary to revise and stop new orders for the Tokyo waterfront development project, which calls for the creation of a futuristic city with a projected population of 63,000 on a 448-hectare area of reclaimed land along Tokyo Bay.

The project "was planned at the height of the 'bubble economy' and the economic situation since then has totally changed," he said. "The project will inevitably end in failure if continued."

Aoshima gave his assurance he would not go back on his campaign promise against financial support for a central government-led bailout plan for the now defunct troubled credit unions, Tokyo Kyowa Credit Association and Anzen Credit Bank.

"During my election campaign, I made it clear I would not use the 30 billion yen to help the credit unions. I will not change," he said.

The pending rescue plan calls for the Tokyo metropolitan government to provide 30 billion yen in low-interest loans to a new institution assigned to dispose of bad loans accumulated by the troubled credit unions.

The metropolitan assembly withheld its decision on the issue last month, leaving the matter to the discretion of the new governor.

In his campaign pledge, Aoshima said he would oppose the use of tax money for the rescue of the credit unions, which have been criticized for lax management.

In Sunday's Tokyo gubernatorial election, Aoshima beat former top bureaucrat Nobuo Ishihara, 68, the former mayor of Izumo in Shimane Prefecture, Tetsundo Iwakuni, 58, and five other candidates.

Aoshima's triumph is attributed to his overwhelming popularity and his "clean" campaign tactic of holding spending to a bare-bones minimum.

Born in the heart of Tokyo, Aoshima became a script-writer for television comedy shows after dropping out of graduate school at Waseda University due to pneumonia.

He later became a TV personality himself, directed a movie and also became a songwriter.

In 1981, he won the coveted Naoki Prize for his book "Ningen Banji Saiouga Hinoeuma," a novel based on his own experience about people in Tokyo's Nihonbashi, his birth place, centering on a family that owns a boxed-lunch store.

In 1992, he staged a hunger strike to protest against Shin Kanemaru, then kingpin of the Liberal Democratic Party who allegedly received an illegal donation of 500 million yen but paid a fine of only 200,000 yen.

He belonged to the Niin Club parliamentary bloc in the upper house until he gave up the seat for the Tokyo election.

Bureaucrats Worry About Tokyo Election Result

OW1104124195 Tokyo MAINICHI SHIMBUN in Japanese 10 Apr 95 Morning Edition p 4

[FBIS Translated Text] Government offices in Kasumigaseki [the center of the Japanese administration] have taken seriously the fact that former bureaucrats were defeated in both the Tokyo and Osaka 9 April gubernatorial elections and that independent candidates, Yukio Aoshima and Knock Yokoyama, who are former television personalities, have been elected as governors of the two prefectures. A senior Economic Planning Agency official stated that the results "indicate the people's strong distrust of the established political parties and bureaucrats." The government is currently facing many difficult issues, such as the continuing rapid appreciation of the yen and rehabilitation work in places devastated by the great Hanshin earthquake. There is a possibility that the results of the gubernatorial elections may radically shake the long-established foundations of the political world and official circles. Some people have begun to express concerns over the future of the Murayama administration, saying the election results may weaken its cohesion.

Regarding the unified local elections, each ministry and agency had ostensibly taken the position that "since this

issue obviously pertains to local politics, there are no direct relations to the national administration." However, they are greatly shocked by the fact that former bureaucrats backed by major political parties were defeated in the two major gubernatorial elections.

The most urgent task in current economic policy is the handling of the continued yen appreciation. The truth of the matter is that the yen's appreciation is continuing because of speculative moves which take advantage of the gap between the Finance Ministry and the Bank of Japan, as well as between Japan and the United States and European countries. If the shocking results of the latest gubernatorial elections give an additional blow to the leadership of the Murayama administration, there is a danger that the government's moves to arrest the yen's appreciation will be further delayed.

Moreover, the election results will inevitably affect preparations for annual meetings of the Asia-Pacific Economic Cooperation (APEC) forum, to be held in Osaka in November, and the massive development program on proclaimed land along Tokyo Bay, which the Tokyo Government has been promoting. There is a possibility that the central government will need to coordinate with the Osaka and Tokyo Governments on these matters.

Union Backs SDPJ Leadership, Drops Yamahana

OW1204063695 Tokyo KYODO in English 0611 GMT 12 Apr 95

[FBIS Transcribed Text] Izunagaoka, Japan, April 12 KYODO—A leading labor union decided Wednesday to back the Social Democratic Party (SDP) [Social Democratic Party of Japan—SDPJ] leadership's decision to seek to launch a planned new party before July's House of Councillors election, dealing a blow to a rebel SDP group.

The Japan Postal Workers' Union (Zentei) made the decision at a meeting of its central committee in Izunagaoka, Shizuoka Prefecture, west of Tokyo, union officials said.

The decision is a major turnaround from the union's former position of supporting the dissident group within the SDP led by former party chairman Sadao Yamahana.

Zentei had urged the Yamahana group to leave the SDP as soon as possible and form its own party together with some lawmakers from outside the party.

The union leadership decided to change its mind and support the SDP Central Executive Committee's plan for a new party after seeing other labor unions switch their support from the Yamahana group to the party leadership, union sources said.

The SDP, led by Prime Minister Tomiichi Murayama, is in the ruling coalition with the Liberal Democratic Party and new party Sakigake.

Businesses Reluctant To Donate to Parties

*OW1104135395 Tokyo ASAHI SHIMBUN in Japanese
11 Apr 95 Morning Edition p 2*

[FBIS Translated Text] Business circles are likely to keep some distance from political parties. Following unexpected outcomes of gubernatorial elections in Tokyo and Osaka, Chairman Shoichiro Toyoda, of the Federation of Economic Organizations [Keidanren], expressed his intention to take a prudent stance toward businesses' donations to political circles, saying: "The political circle should try its best to restore public confidence, taking the election results very seriously."

As the July upper house election draws near, the Liberal Democratic Party [LDP] and some other parties are expecting business donations. However, business circles are becoming reluctant to give financial support to the parties since the victors of the Tokyo and Osaka gubernatorial elections both had inexpensive election campaigns. A nonmanufacturing industry association noted: "We are losing justification for political donations, and we intend to watch developments at least until the end of this year." A manufacturing industry association also said: "Our member companies are becoming more prudent about political donations year by year. Even if we should offer some donations, we will have to reconsider which party should receive the money."

Vice President Ken Moroi, of the Japan Federation of Employers' Associations [Nikkeiren], noted: "Businesses' political donations are becoming even more difficult this year because a new law has just reinforced disclosure of donations."

At the peak in 1990, business circles' donations to the LDP reached approximately 12 billion yen [Y] owing to Keidanren mediation. However, the figure dropped to Y9.3 billion in 1992, and Y7.7 billion in 1993. Despite the founding of Shinshinto [New Frontier Party], it appears the amount of businesses' political donations further declined in 1994, and this trend is likely to continue this year.

In principle, business circles say: "General elections should be conducted as early as possible under the new election system." However, they have not really pushed political circles due to the presence of urgent questions, such as deregulation and special corporation reform.

Nevertheless, business circles are now beginning to fully call for early general elections. Vice President Masahiko Nakanishi, of the Tokyo Chamber of Commerce and Industry and concurrently head of the chamber's affiliated political body, Tokyo Commerce and Industry League, said: "The elections results are consequences of excessive power struggles on the national political scene. I think it is about time for politicians to reconsider what is a better government for the public." Chairman Masaru Hayami, of the Japan Association of Corporate Executives [Keizai Doyukai], said: "Existing political parties

should prepare clear objectives and policies, and seek the voters' judgment as soon as possible."

Aum Sought Russian Laser, Nuclear Technologies

*OW1004143395 Tokyo KYODO in English 1403 GMT
10 Apr 95*

[FBIS Transcribed Text] Moscow, April 10 KYODO—The Japanese Aum Shinrikyo religious sect allegedly linked to the gas attack on Tokyo's subway system approached Russian scientific authorities in 1992 and 1993 seeking laser and nuclear technologies, investigative sources said Monday [10 April].

Shoko Asahara, founder and leader of the apocalyptic cult, held talks with Nikolai Basov, a Nobel Prize winner for physics, in Moscow in 1992, when the group started making inroads into Russia, the sources said.

Also, in 1993, Aum's Moscow branch proposed a meeting with Nuclear Energy Minister Viktor Mikhaylov, they said.

Japanese police, during massive raids launched two days after the March 20 lethal sarin gas attack on Tokyo subways, found papers related to laser technology at the group's facilities.

The sources said that from the beginning of its entry into Russia, Aum took a great interest in laser and nuclear technologies which the group may have had difficulty acquiring.

With his research on the principle of laser, Basov won the Nobel Prize together with American scientists in 1964.

The meeting between Basov and Asahara, which the physician's secretary described as "sort of ceremonious," took place in March 1992.

Aum publications issued in Russia have articles about the meeting, with a picture taken then, in which the cult claims the two men took up a special theme on physics.

A spokesman for the Energy Ministry admitted the Japanese religious sect's Moscow branch asked for a meeting with Mikhaylov a year and a half ago, but the ministry turned down the request due to a lack of specific need for such a meeting.

Aum has mounted large-scale missionary activities in Russia since 1992, following the demise of the Soviet Union, a Japanese Government survey shows. The religious sect set up its Moscow branch in March 1992.

Aum, despite its repeated denials, has been the focus of suspected links to the Tokyo sarin gas attack which killed 11 people and injured more than 5,000, some seriously.

The Japanese religious sect claims it has some 10,000 followers in Japan and about 30,000 in Russia.

Plutonium Utilization Plan Faces Troubles

OW0404115995 Tokyo MAINICHI SHIMBUN in Japanese 27 Mar 95 Morning Edition p 13

[FBIS Translated Text] Troubles were found one after another in the Power Reactor and Nuclear Fuel Development Corporation's [Donen] fast breeder reactor "Monju" (located in Tsuruga, Fukui Prefecture) and at the same corporation's Glassification [garasu kokatai] Research Institute (in Tokai Village, Ibaraki Prefecture). Although the impact of the troubles, including radiation leaks, has not been felt yet, a common cause of the troubles at the research institutes, which play a central role in plutonium utilization, was design mistakes. While other countries are giving up their plutonium utilization plans, difficulties in developing plutonium utilization technology, which Japan has to develop on its own, stand out.

Pipes Are Too Small

In the "Monju" case, the trouble happened in a flash tank used to preheat secondary cooling water pumped into a steam generator. Donen tested the reactor on 21 February to be prepared for the first generation of electrical energy in April. The trouble happened during the testing of the pressure level in the flash tank.

Air bubbles forming in hot water in the flash tank were the cause of the trouble. Bubbles slow water flow in the pipe. It seems that pressure in the tank dropped because not enough water was pumped in.

Flash tanks are also used at thermoelectric power plants. So far, the thermoelectric power plants have been using only steam. However, "Monju" adopted a new system, which uses hot water, to improve efficiency. The new system worked against intention because bubbles were formed when steam was mixed with hot water.

Donen plans to improve the tank by installing rectifier plates [seiryu ban] and increasing the diameter of the pipes from 20 to 30 centimeters to prevent bubble formation. However, it seems that a plan to generate power for the first time using the reactor will be delayed about three months, or until July. Donen is saying: "Although we designed the tank on the basis of data obtained at thermoelectric power plants, bubbles were formed more than we expected. We were too optimistic in evaluating the data."

Glass Hardens

The trouble at the Glassification Research Institute happened on 22 February. When it was poured into a stainless steel container, the glass mixed with high-level radiation waste hardened inside a coupling device, which connects the reactor to the canister, thereby clogging the equipment.

Donen inserted a vibrator from the lower part of the coupling device to break the glass. They recovered 2 kilograms of glass. Since no more glass was seen during

an inspection using a mirror, Donen concluded it had recovered all the glass. However, it found out during a reexamination five days later that glass was still clogging the coupling device. A simple calculation error and a mistake during the confirmation stage made Donen fail to notice about 30 kg of glass that was still inside the device.

The Glassification Research Institute is Japan's only research facility that makes solid glass [mixed with radioactive waste]. Tests were repeatedly conducted by using glass that did not contain high-level radiation waste materials. The institute first succeeded in hardening glass [in the container] on 20 February. The trouble reported recently was the third one of its kind. The Tokai project team analyzed the failure, saying: "The tests went smoothly. The glass probably became sticky and hardened quickly when we added the waste materials."

The institute will study the possibilities of using larger pipes in the coupling device and making the glass fall into the canister at a fixed speed. However, the prospect of resuming the research is far from certain.

Difficulty in Developing Technology Independently

Kenichi Takemura, administrative vice minister of the Science and Technology Agency, said: "The Monju trouble happened at a critical place in terms of thermodynamic development. Glassification [of radioactive wastes] was a fundamental part. Although risks are customary in technological development, we need to deal with it carefully."

Moreover, Jinsaburo Takagi, representative of a nuclear power information office, said: "So far, Japan has been importing nuclear power technology from the United States. Since the United States gave up the idea of using plutonium, however, Japan has had to independently develop the technology. The troubles reported at the research institute and the Monju plant are fundamental ones. They revealed the fact that Japan lacks experience. The reactor will work fine as long as we keep its output at the current level. However, it is possible that an attempt to boost its output may be linked to a major accident. We have many difficulties in store for us."

Completion of FSX, Flight Testing Examined

OW1204091695 Tokyo BOEI GIJUTSU JANARU in Japanese Mar 95 pp 64-65

[“Article” by Chikayoshi Sugita, Chief of The Third Aircraft First Section, Third Research Center, Technical Research and Development Institute (TRDI), Japan Defense Agency; from the “Defense Technology Salon” pages]

[FBIS Translated Text] The biggest topic in the aviation world in 1995 will be before everything the completion of the FSX and the start of its flight testing.

At the rollout ceremony, the intrepid figure of the first aircraft painted in red and white must impress many persons concerned.

I think that what makes an engineer's life worth living is to produce products that can fulfill the performance requirements under various constraint conditions.

The performance requirements in the design of aircraft that bring together the essence of high technology, particularly warplanes, are extremely severe. Many dramas have taken place, in which some have succeeded in meeting those requirements and producing aircraft that have gained fame as masterpieces, and some aircraft have ended their lives as prototypes.

The story associated with the development of the Zero fighter aircraft more than 60 years ago is well known as a representative example of engineers who turned the impossible into the possible.

Mr. Horikoshi, the Zero's designer, once said, "In achieving a great work, there is a much stronger and longer period of effort and worry than there is for pleasure. Brief moments of joy coming in between the effort gives a man a reason for living that cannot be replaced by anything."

The Zero did not leave only a record of development that attracts the spirit of the Japanese people. The fighter, like the destiny of Japan itself, achieved command of the air, then, after fighting bravely, in the end lost the war.

Since my student days, I repeatedly read the record of the Zero's development and learned several lessons.

Now, I make it a point to use the above from the viewpoint how R&D into future equipment should be.

What I particularly notice is the suitability of measures taken in technology administration policy. They constitute the key to such questions as why good successors to the Zero Fighter could not be released in time and why the performance of the Zero Fighter could not be sufficiently improved. I think the lessons from the history of technical developments offer a certain guideline across space and time to the issue of what we should do now in R&D.

For example, it is said that scheduled improvements in capabilities are required for future aircraft development. This is because the airframe has become expensive, and the life of the structure is extended while the onboard electronic equipment is making rapid progress.

To deal with this, it may be necessary to conduct examinations and improvements of many subjects.

In particular, aircraft should be built up and developed through improvements after the start of operation, and I am eager to introduce this as a matter of course.

I once manufactured a motorized glider and flew it as graduation research at university. I still cannot forget the deep emotion of experiencing the first flight of the aircraft I made.

The day is near when persons concerned in the development of the FSX can share the joy of seeing after so much effort its first flight.

Pilot C3I System Simulator Project Studied

OW1204091295 Tokyo BOEI GIJUTSU JANARU in Japanese Mar 95 p 61

[By Michiaki Miyazono, chief of the First Information Systems Research Laboratory, Second Research Center, Technical Research and Development Institute (TRDI), Japan Defense Agency; part 4 in the series: "Defense Simulation"; this one called: "C3I Simulators"]

[FBIS Translated Text] Research and development of equipment for C3I systems has been increasing rapidly in recent years. This trend is specially noticeable in the fields of air defense, firepower, mobile equipment and intelligence. This may be a matter of course, considering the trends of modern warfare—including the expansion in area and dimensions of battlefields and the greater fluidity and increased speed of changes in the war situation, as seen in the Gulf war.

At TRDI, we have produced a pilot "C3I System Simulator" as a part of research into C3I systems. This is a computer system based on distributed processing, composed of a number of computers (workstations). The system simulates the specific C3I system which is the research target and also simulates its actions for researching into the functions and performance of the targeted C3I system. We also produced a pilot special software programming support function for the convenience of system simulation on computers.

The purposes of R&D simulators can be divided roughly into two. One is to obtain basic data for the R&D, and the other is to test and evaluate pilot products. The "C3I System Simulator" is intended for the first purpose, which is to obtain basic data for the R&D.

The research procedure starts with selecting one of the system configuration plans obtained as a result of operational research into the specific C3I system, selecting one of several battle scenarios, drawing up a program and executing simulation. This simulation serves for the collection of basic data including the information processing capacity, processing time and data transmission capacity of each subsystem such as the command center. Then, the collected data is examined to study the weak points of the entire system, validity of functional distribution, its practicality and so on. Since the C3I system configuration plans and battle scenarios are constructed on the computers, several examples can be implemented by changing the software (usually the parameters). And here lies the great advantages of simulations in C3I systems research.

In C3I systems research, it sometimes becomes important to identify what the range of information handled

should be or where the processing capacity should be limited. Simulations are often advantageous for the solution of these problems.

To make simulations really valuable, their details should be simulated close to actual scenes. But progress in weapons and other systems is increasing the areas where simulations are difficult, and we should consider it an important issue to overcome these problems. In Japan, C3I systems research is for the present limited to the tactical level, but C3I systems research at the strategic level is active in the United States as seen with the research into SDI and Theater Missile Defense (TMD). These subjects of research use C3I simulations on a large scale.

In the future, simulation technology related to C3I systems is expected to be improved further to contribute to C3I systems technology development in Japan.

Official Views Production of Defense Equipment

OW0704155095 Tokyo BOEI GIJUTSU JANARU in Japanese Feb 95 p 3

["Profile" of Sadahide Fujii, Ricoh Elemex chief engineer and director of the Development Technology Bureau of the Special Machinery Division by editorial board member Takeshi Hondo]

[FBIS Translated Text] Okazaki in Aichi Prefecture, which is known as territory associated with the shogun Ieyasu Tokugawa, is also home of the Okazaki operations of Ricoh Elemex. The company's plant is on a site measuring about 43,000 square meters, about 15 minutes by bus from Nagoya Railway's Higashi Okazaki station, and adjoining the Daishaji, Ieyasu's family temple. It houses the Instrumentation Division, the RE Division, and also the Special Machinery Division, which is responsible for Defense Equipment.

Ricoh Elemex, founded in 1938 as Takano Precision Industries, manufactured armaments and wall clocks. At the end of the war, it began producing column clocks and recording machines, but it resumed defense production when it received orders for fuzes from the US Air Force and the JPA (the agency that handled coordination with US forces under the occupation) at the time of the Korean War in 1950. It was authorized to produce fuzes under the Weapons Production Law in 1950. In 1961 it received an order for fuze development from the Technical Research and Development Institute (TRDI), and it began regular, quantity production in 1964. It took the present name in 1986. The last part of Ricoh Elemex was formed, incidentally, by combining "electronics," "mechatronics" and "X" (the creation of new value).

The company's chief engineer is Sadahide Fujii (age 57), director of the Development Technology Bureau of the Special Machinery Division. He joined the company in 1955, at the end of the Korean emergency special procurement period, and began developing fuzes when he was assigned to the Emergency Demand Bureau in 1961. He has specialized in defense work since that time. He

reminisces, "I joined just at the time we began developing fuzes for the Model 30 rocket projectile. Shoshiro Suwada, who was known as an authority on fuze technology in the Imperial Army, was a company consultant, so I had him teach me from the ground up. There were not many workers, and just two or three engineers. It was my first job, and I remember that I was dead earnest." What was then the Emergency Demand Bureau was reorganized into the Special Machinery Division in 1977, and had about 400 workers.

So far Fujii has had a hand in the Model 90 Time Fuze, the Model 79 Antitank/Antiship Guided Projectile Fuze, the Model 78 127 mm Air-to-Air Rocket Fuze, the Model 81 Tan-SAM Fuze, the Model 90 AAM Impact Fuze and others. At present he is putting his effort into bomblet fuzes for the ICM (multi-purpose guided projectile), and also doing R&D on high-performance impact fuzes. Regarding his future plans, Fujii said, "the advance of technology has enabled electronic circuits that can withstand an acceleration of 30,000 G's, and made it possible to reduce size and weight and to assure reliability as well. With the guidance of TRDI, I would like to look into minus G's, which have not been analyzed in terms of projectile motion."

Executive on Intelligence, Defense Technology

OW1204091395 Tokyo BOEI GIJUTSU JANARU in Japanese Mar 95 pp 62-63

["Article" by Seiyu Mori, corporate adviser, Japan Steel Works, Ltd]

[FBIS Translated Text] I have heard that various events are planned in 1995 commemorating the 50th anniversary of the end of World War II. Among them, those which have been reported widely since 1994 are two events in the United States. One is the topic of the exhibition in the Smithsonian Museum of the B-29 bomber Enola Gay which dropped the world's first atomic bomb, and the other is the "mushroom cloud" commemorative stamp of the U.S. Postal Service.

There were two things which surprised me when I stayed in the United States. One is that, when I visited the Military Academy at West Point, I saw Japan's declaration of war and surrender documents in a prominent position near the entrance of the memorial hall. I was surprised all the more because the Japan-US relationship was going at its best at that time. I had a perplexed feeling, thinking that they should not be exhibited at such a time and at the same time that it is natural to exhibit these as historical facts. Public opinion surveys have made it clear that there is a big difference in the friendly feelings between Japan and the United States, and I have heard that Japan is always included in the enemy countries enumerated in the United States, with either a high or low ranking. I think this, together with the above scene, clearly shows the difference in the ways of thinking between Japan and the United States. Another scene which surprised me was in the Aberdeen

Proving Grounds, a US Army weapons testing range. Tanks and so on of major countries are arranged on both sides of the roads. The exhibition hall has a collection of Japanese small arms already dispersed and lost in Japan. In a corner of the test range, a new model tank of the Soviet Union, which was the principle adversary of the Cold War was hidden under a cover.

Weapons hide a concentration of software aspects, including the way of recognition by the country possessing them toward adversary countries (in a wide sense including strategy and tactics) and design concepts based on the recognition, and the hardware aspects including the capabilities of the country's industry and the weapons themselves.

Even if the change of the Soviet Union into Russia changes the institutions and the "wili" based on them, the "capabilities" based on weapons and equipment do not change easily. Actually, most of the weapons with which the Russians were equipped still exist, and the R&D is an extension of the past.

At the present, the decline of the Cold War structure started the period of new country building for all countries. It is the age in which weapons which have been covered under a secret veil are sold as bargains. It is most important and indispensable to buy some of them for analysis and evaluation.

Today is an age flooded with intelligence, and it is said that nearly 90 percent of the desired information can be obtained though published papers and journals. Even when the MIG 25 arrived at Hakodate, the majority of intelligence had reportedly been already acquired. Then why all the fierce scrambling by Japan, the United States, and the Soviet Union? It was to get the "10 percent" of intelligence related to the organization, operation and details of the weapons which had been covered under the veil.

Once something has started, collecting intelligence on it becomes extremely difficult, next to impossible. Sparing force in such an attempt degrades the concentration of war potential, and a strict warning should be given against such an attempt. If "to know the adversary" is the basis of everything, there is no other time than the present. Whether Japan takes the road of Carthage or the road of Rome depends on what we do now.

MSDF Test Ship Asuka Awaits Deployment

OW1204091795 Tokyo BOEI GIJUTSU JANARU in Japanese Mar 95 p 74

[Unattributed article in "DTJ News" column]

[FBIS Translated Text] The Asuka (total displacement 4,900 tons), the second test ship, completed on 28 February its official trials conducted since 19 January and is now standing by for the deployment scheduled on 22 March.

The official trials were performed 14 times in the Sagami Bay. Several marine tests were repeated, including the anchor equipment testing, speed signal indicator remote control equipment testing, and maneuvering equipment operation check testing.

The Asuka has a total length of 151 m, maximum width of 17.3 m, depth of 10 m and draft of 5 m. It is equipped with two gas turbines as its main propulsion engines, producing a shaft horsepower of 43,000 hp and a speed of 27 knots. The interior of the ship features crew and passenger cabins with roomy design, and women's cabins and bathrooms are also provided to ensure privacy. Another feature is the test evaluation room and meeting room for users from the Defense Agency's Technical Research and Development Institute (TRDI) so that the ship is compatible with any form of engineering testing.

In addition, an optical fiber network is distributed inside the ship. This is the first Self-Defense ship equipped with the ship optical LAN system. Another first among Self-Defense ships is the electric lamp signs indicating emergency exits. They have the pattern showing a green running person on a white background. This is a consideration taken because the ship will carry many outsiders as well as Self-Defense Forces officials.

After the ship has been deployed successfully, it is planned to start engineering testing of such systems as the surface ship sonar and the onboard new fire control system.

North Korea

U.S. Warned: Berlin Talks 'Last Chance'

SK1204103195 Pyongyang KCNA in English 1022 GMT 12 Apr 95

[“The U.S. Must Not Miss Last Chance of Negotiations”—KCNA headline]

[FBIS Transcribed Text] Pyongyang, April 12 (KCNA)—The suspended negotiations between the Democratic People's Republic of Korea and the United States concerning the provision of light water reactors [LWRs] will be resumed in Berlin today.

The United States will reportedly make clear that it “cannot accept the DPRK's proposal” and urge the DPRK to “allow the provision of the South Korean-model LWRs and South Korea's pivotal role” at the negotiations according to the recent New York consultation of the U.S., Japan and South Korea.

It is openly threatening that if the DPRK refuses to accept “South Korean model”, it will “proclaim the end of the Berlin talks of experts” and “kill” the DPRK-U.S. framework agreement.

This is an act to intentionally foul the negotiations concerning the provision of LWRs and a grave challenge to the

DPRK, which has made every sincere effort for the implementation of the DPRK-U.S. framework agreement.

The resumption of the negotiations is entirely attributable to the sincere and generous efforts of the DPRK.

At the negotiations held late in March, we might have gone our own way because the United States was persistently insisting on its unreasonable assertion.

But we made another epoch-making counterproposal with the sincere position for opening the prospect of the implementation of the agreement faced with obstacles and settling the provision of LWRs under any condition.

The United States promised to study our counterproposal. It means that the U.S. admitted the reasonableness of our proposal.

If our proposal were unreasonable, the U.S. would have not accepted it at that time.

The U.S., however, is totally turning down our proposal now, threatening that if we refuse to accept "South Korean model," it will proclaim the "end" of the negotiations. This leaves us with no other choice but to take a serious view of the U.S. position.

If the U.S. attempts to test our will, forcing us to accede to its unreasonable stand even at this juncture, this cannot be construed otherwise than an attempt to totally driving us out of the negotiation table.

The U.S. is persisting in its unreasonable assertion, ignoring our good intention. This fully shows that the U.S. is giving up its stand of responsibility as a dialogue partner, while dancing to the tune of the South Korean puppets and representing their ulterior political purpose.

The U.S. is openly threatening that if the negotiations are brought to rupture, it will bring our "nuclear issue" back to the stage before the conclusion of the framework agreement. This is interpreted as the declaration of a total confrontation with the DPRK.

We are prepared both for dialogue and confrontation.

Our countermove against the U.S. "sanctions" will be a powerful self-defense measure.

If a critical situation is created in the Korean peninsula, it is the South Korean puppets who will be hard hit first. It is the biggest tragedy that the puppets, well aware of this, are persistently crying for "sanctions."

The U.S. had better take an honest stand with the never-to-be-missed last chance of negotiations, clearly mindful that if the negotiations are totally destroyed, it may endanger perilous consequences.

ROK Joint Military 'War Exercise' Denounced

*SK1104061095 Pyongyang Korean Central
Broadcasting Network in Korean 1220 GMT 10 Apr 95*

[Commentary by Yun Pyong-son: "Military Adventure Is a Road to Ruin"]

[FBIS Translated Text] The joint military exercise of the Army, Navy, and Air Force that the South Korean puppets began on 3 April is extremely provocative. On 7 April alone, after a blasting unit [toхва pudae] of the puppet army started its attack, updated attack helicopters and tanks struck a blow against a simulated target area of ours, and a main-force infantry unit rushed into a simulated target area of ours; this offensive military exercise was frenziedly waged.

Meanwhile, an exercise aimed at maintaining air supremacy was conducted, mobilizing F-16 fighter-bombers equipped with updated fixtures. A Marine corps' surprise landing operational exercise was conducted at sea. Some 52,000 puppet troops, 4,000 local reserve forces, and 1,000 various pieces of equipment were mobilized for the war exercise waged that day alone. The South Korean sky, land, and sea literally reminded spectators of a battlefield.

Far from being ashamed of conducting this provocative war exercise aimed at assaulting fellow countrymen, the South Korean puppets are arrogant, mentioning the demonstration of the best combat capability and the like. However, this only clearly reveals the antinational nature of the puppets who are running wild with fervor for a war of northward invasion.

In light of its characteristic, purpose, scale, and content, the joint military exercise recently conducted by the Kim Yong-sam clique was a very dangerous war maneuver thoroughly aimed at northward invasion. As has already been reported, some 80,000 troops, almost twofold compared with other years, and some 1,000 various fixtures were mobilized for the war exercise. The performance of this war exercise was extremely dangerous itself; moreover, the content of the operational exercise—such as the puppet marine corps' surprise landing, the puppet air force's joint aerial striking, its support for the marine corps' landing, and the puppet army's surprise attack—focusing on an attack exercise even deepened the provocative characteristic and danger of the war exercise.

The puppets also admitted this war exercise was the largest ever in scale and was focused as an attack exercise. In fact, in the past the puppets claimed innumerable war exercises as defensive training to conceal the aggressive nature of those exercises. This is the first time they conducted war exercises while openly clamoring about attack exercises.

All this clearly shows the Kim Yong-sam ring is trying to provoke a war of northward invasion by any means, and the rascals' mania for northward invasion has reached a very dangerous level.

Now, all people earnestly desire peace and peaceful reunification on the Korean peninsula, and the world hopes the DPRK-U.S. agreed framework will successfully be implemented. At this moment, running counter to this aspiration, the Kim Yong-sam ring conducted an adventurous fire game against fellow countrymen, firing

rifles and guns and emitting gun smells. By doing so, they have revealed to the world that they are challengers to peace and the reunification of the fatherland.

Though they are outwardly talking about dialogue, the puppets do not have the slightest intention to hold dialogue. This is plainly proved by the recent war exercise. The Kim Yong-sam ring only pursues criminal attempts to provoke a war of northward invasion.

The traitorous Kim Yong-sam clique, faced with opposition from the people at home and abroad and driven into a corner, is trying to find a way out of this crisis by confrontation and war maneuvers, and does not hesitate to conduct such military adventure as provoking a war of northward invasion. However, this is nothing but an indiscrete and reckless act by those who have lost their reason. They can never break the crisis with a military adventure. It will rather bring their own destruction.

There is no mercy in war. We do not want war. However, we will never forgive those who force us to be involved in war and will severely punish [chingbol] the provokers. If the South Korean puppets continue to pursue military adventure despite our repeated warnings, they will be burned in a fire started by themselves. Being well aware of this, they must not recklessly run wild.

ROK's 'Suppression' of Students Denounced

*SK1204045295 Pyongyang KCNA in English 0439
GMT 12 Apr 95*

[FBIS Transcribed Text] Pyongyang, April 12 (KCNA)—The Secretariat of the Committee for the Peaceful Reunification of the Fatherland on Tuesday [11 April] published its Information No.680 denouncing the Kim Yong-sam group for recently having arrested and punished patriotic students by invoking the notorious "National Security Law" [NSL].

According to the information, the General Student Council of Chonnam National University of South Korea invited students of Kim Chaek University of Technology in the North and Korean University under the General Association of Korean Residents in Japan to a festival slated for September. The Kim Yong-sam group, however, has branded it as an "enemy-benefiting act" and passed a sentence of imprisonment of five years and a suspension of qualification of three years on Yang Tong-hun, former chairman of the Kwangju-South Cholla Provincial Federation of General Student Councils and chairman of the National Reunification Committee of the South Korean Federation of General Student Councils, who did a righteous deed.

The information says:

The Kim Yong-sam group labelled the righteous deed of South Korean students, who invited their colleagues in the North or conducted pro-reunification patriotic activities, as an "enemy-benefiting act" and has cracked down upon and punished them by invoking the "NSL". In this way

they revealed once again their anti-national attitude which regards the fellow countrymen in the North as "enemy" and seeks a confrontation with the North. And it has been clearly proven that the "resumption of dialogue" much touted by them is nothing but a deception.

The fascist clique is running amuck in suppression by brandishing the "NSL" but it can never break the strong will of South Korean students and people to achieve the reunification in the 90s by the united efforts of the nation.

The Kim Yong-sam group must abrogate the "National Security Law", stop suppression of the patriotic reunification movement and set free at once the progressive students who have been arrested on unreasonable charges.

Kim Yong-sam Urged To Pardon, Release Prisoners

*SK1004100795 Pyongyang KCNA in English 1001
GMT 10 Apr 95*

[FBIS Transcribed Text] Pyongyang, April 10 (KCNA)—Delegates of human rights organizations of many countries reportedly sent a document to traitor Kim Yong-sam recently urging the release, amnesty and reinstatement of prisoners of conscience in South Korea.

In South Korea there are over 30 long-term prisoners such as Kim Son-myong and An Hak-sop, who have been imprisoned for more than 40 years, even after the emergence of the "civilian government", they noted in the document, demanding the release of all of them.

The document also said that a large number of people including opposition figures have been deprived of their human rights and rights to existence, and urged a total pardon and reinstatement of them.

Repatriation of ROK Long-Term Prisoners Urged

*SK1204114295 Pyongyang KCNA in English 1051
GMT 12 Apr 95*

[FBIS Transcribed Text] Pyongyang, April 12 (KCNA)—A press conference for home and foreign reporters was held at the People's Palace of Culture today as regards the repatriation of unconverted long-term prisoners in South Korea.

The old men, Kim In-so, Ham Se-hwan and Kim Yong-tae, were taken prisoners in the Korean war and kept behind bars for 30 odd years, refusing to be converted. After coming out of prison, they have undergone mental and physical sufferings under the "Law on Observation for Public Peace," an evil law.

They eagerly want to be immediately sent back to the North where their families and relatives live.

Speaking at the press conference, Paek Nam-chun, director of the secretariat of the Committee for the Peaceful Reunification of the Fatherland and vice-chairman of the

Korean Measure Committee for Rescuing Unconverted Long-term Prisoners in South Korea, said:

"The movement demanding their repatriation has been conducted in some 120 countries in Asia, Africa, Europe and Americas. The South Korean authorities, however, are keeping them in South Korea under unreasonable pretexts. This is an insult to human ethics and morality, a challenge to international law and regulations and a mockery of justice and conscience.

"Whether the South Korean authorities send them back to the North or not is one of crucial things which show whether they hope for the improvement of relations and reconciliation between the North and the South or not."

Paek Nam-chun strongly urged the South Korean authorities to rescind the unreasonable conditions and pretexts and unconditionally and immediately send them back to the North.

Speeches were made also by Paek Yong-ho, general secretary of the Central Committee of the Red Cross Society of the Democratic People's Republic of Korea, and Yi Chang-ha general secretary of the Society for the Study of Human Rights.

Answering questions raised by reporters, they charged that the South Korean rulers are hampering the solution to the repatriation of the unconverted long-term prisoners, raising the issue of the repatriation of "those abducted by the North" as a "condition for exchange," in a bid to slander the North and aggravating the North-South confrontation.

They stressed that if the Kim Yong-sam group persistently refuse to repatriate the unconverted long-term prisoners, they will be bitterly denounced by all the compatriots in the North, South and overseas and human conscience as a flagrant violator of the international humanitarian law, the Korean Armistice Agreement and human rights.

Read at the press conference were Kim In-so's letter to his daughters, Ham Se-hwan's letter to his elder sister and Kim Yong-tae's letter to his son.

Reunification Committee Sends Letters to ROK

*SK1104043395 Pyongyang KCNA in English 0422
GMT 11 Apr 95*

[FBIS Transcribed Text] Pyongyang, April 11 (KCNA)—The North side Preparatory Committee of a Grand National Reunification Festival to celebrate the 50th anniversary of national liberation sent letters to South Korean figures in connection with preparations of the August 15 festival. The addressees are poet Ko Un, advisor to the South side headquarters of the National Alliance for the Country's Reunification (Pomminnyon) Sin To-song, chairman of the New People's Party Kim Pok-tong and co-chairman of the General Federation of National Artists (Minyechong) of South Korea Kang Yon-kyun.

The letters recalled that the political parties and organizations in the North suggested at a joint meeting that Koreans in the North, South and overseas jointly celebrate the 50th anniversary of national liberation in the hope of opening an epoch-making phase of reunification in the 90s this year marking the anniversary and the lapse of 50 years since the country was divided.

They stressed that the proposed festival is a nationwide gathering which should be arranged by concerted efforts of all the Koreans.

Proposing contacts in a third country at an early date for discussion of matters concerning the festival, the letters hoped for an affirmative answer from them.

Paek Nam-chun Gives Briefing on 15 Aug Festival

*SK1104045895 Pyongyang KCNA in English 0440
GMT 11 Apr 95*

[FBIS Transcribed Text] Pyongyang, April 11 (KCNA)—The North side preparatory committee for the grand national reunification festival to celebrate the 50th anniversary of the liberation of the country gave a briefing on Monday.

Paek Nam-chun, director of the secretariat of the Committee for the Peaceful Reunification of the Fatherland, who is vice-chairman of the North side preparatory committee for the festival, briefed newsmen on the preparations for the August 15 grand national reunification festival.

According to his information, the joint meeting of political parties and organizations of the DPRK adopted and made public an appeal proposing that the fellow countrymen at home and abroad grandiosely celebrate the 50th anniversary of the national liberation as a holiday of the entire nation and hold a great national conference, at which the reunification way common to the nation will be discussed and confirmed with the attendance of delegates from parties, groupings and people in all walks of life in the North, South and overseas.

And the political parties and organizations of the DPRK sent letters to representatives of four political parties including the Democratic Party and 35 organizations in South Korea in early February, proposing to have contacts for the realization of the grand national reunification festival.

They also set up the North side preparatory committee for the festival on March 7 and sent letters in the name of the committee to political, religious and other figures of South Korea, proposing to have contacts with each other in a third country within April.

The North side preparatory committee warmly welcomes the positive response of South Korean political parties, organizations and figures who are seeking contacts with their counterparts in the North, in the teeth of the obstructive moves and harsh suppression by the Kim

Yong-sam group, and will make all its possible effort to have a bilateral or multilateral contact with them, Paek Nam-chun declared.

WPK Officials Delegation Returns From PRC

SK1104005595 Pyongyang Korean Central Broadcasting Network in Korean 1300 GMT 7 Apr 95

[FBIS Translated Text] A delegation of Workers Party of Korea [WPK] officials led by Yi Hui-kyu, vice director of a WPK Central Committee department, returned home today by train after visiting the PRC.

Kim Yang-kon, vice director of a WPK Central Committee department, and Qiao Zonghuai, PRC Ambassador to the DPRK, received the delegation.

Military Delegation's Visit to Malaysia Reported

SK1104071495 Pyongyang Korean Central Broadcasting Network in Korean 0100 GMT 9 Apr 95

[FBIS Translated Text] The DPRK military delegation led by Comrade Choe Kwang, member of the Political Bureau of the Central Committee of the Workers Party of Korea, vice chairman of the DPRK National Defense Committee, and chief of the General Staff of the Korean People's Army, visited Malaysia from 6 to 8 April.

The delegation participated in a welcoming ceremony at the office of Malaysia's Defense Ministry on 7 April. The welcoming ceremony was attended from our side by the head and members of our country's military delegation and our country's ambassador to Malaysia; the chief of the Malaysian Armed Forces General Staff, the Army chief of staff, the chief of the military headquarters staff, and the deputy chiefs of the Navy and Air Force Staff attended from the Malaysian side.

At the welcoming ceremony, the head of our country's military delegation reviewed the honor guards of the Malaysian Army, Navy, and Air Force.

The delegation also paid a courtesy call on Malaysian Defense Minister Mohamed Najib bin Tun Abdul Razak.

On the same day, the delegation was invited to a banquet arranged by the chief of the Malaysian Armed Forces General Staff. Speeches were delivered at the banquet. The banquet participants toasted the eternal life of the great leader Comrade Kim Il-song and the good health and long life of the great leader [yongdoja] Comrade Kim Chong-il.

During its stay in Malaysia, the delegation visited various plants, including a car plant.

On 8 April, the delegation left Kuala Lumpur after winding up its visit to Malaysia. The delegation was seen off at the airport by the chief of the Malaysian Armed Forces General Staff, military and government representatives of Malaysia, and our country's ambassador to this country.

WPK Sends Greetings to Indian Communist Party

SK1204043295 Pyongyang KCNA in English 0425 GMT 12 Apr 95

[FBIS Transcribed Text] Pyongyang, April 12 (KCNA)—The Central Committee of the Workers' Party of Korea [WPK] sent a message of greetings to H.S. Surjeet [spelling of name as received] on April 8 upon his election as general secretary of the Central Committee of the Communist Party of India (Marxist).

The message said that his election as general secretary was an expression of the entire party members' deep trust in him.

Expressing the belief that the traditional relations of friendship and cooperation between the two parties would strengthen and develop on good terms in the future, too, the message wished the general secretary greater success in his responsible work for the implementation of the decisions of the party congress.

Nepalese Parliament Delegation Arrives 11 Apr

SK1104151695 Pyongyang KCNA in English 1510 GMT 11 Apr 95

[FBIS Transcribed Text] Pyongyang, April 11 (KCNA)—A delegation of the Nepalese parliament led by Dilip Kumar Shahi [name as received], vice-chairman of the National Council, today arrived in Pyongyang.

It was greeted at the airport by Yo Yon-ku, vice-chairperson of the Supreme People's Assembly, and officials concerned.

North, Zambian Parliamentary Delegations Meet

SK1004051895 Pyongyang KCNA in English 0508 GMT 10 Apr 95

[FBIS Transcribed Text] Pyongyang, April 10 (KCNA)—Talks were held between delegations of the Supreme People's Assembly of the Democratic People's Republic of Korea and the National Assembly of Zambia at the Mansudae Assembly Hall on Sunday.

Present there on the Korean side were vice-chairperson of the Supreme People's Assembly Yo Yon-Ku and member of the Standing Committee of the SPA Yu Ho-chun and other officials concerned and, on the opposite side were members of the delegation led by Fitz Patrick Chuula, deputy speaker of the National Assembly.

At the talks both sides informed each other of the situation of their countries and activities of their national assemblies and discussed the matters on developing the friendly and cooperative relations between the two assemblies.

Pomminnyon, PRC, Mongolian Visitors Arrive

SK1204044695 Pyongyang KCNA in English 0433 GMT 12 Apr 95

[FBIS Transcribed Text] Pyongyang, April 12 (KCNA)—General Secretary of the National Alliance for

the Country's Reunification (Pomminnyon) and director of the Secretariat of the Pomminnyon Overseas Headquarters Im Min-sik, Permanent Chairman of the U.S. Headquarters of Pomminnyon Yang Un-sik, Vice-chairman of the Canadian Regional Headquarters of Pomminnyon Chong Hak-pil, Vice-chairman Sok Myong-son and Secretary General Cho Yun-hae of the International Korean Association (Unity), a U.S.-Korean resident Son Won-tae and his companion and Vice-chairman of the Association of Supporters to the Kumgangs Opera Troupe of Chongnyon Pak Chong-ae arrived here on Tuesday [11 April].

Arriving on the same day were also a delegation of the Ministry of Radio, Film and Television of China led by Minister Sun Jiazheng and a delegation of the Kim Chong-il Kindergarten of Mongolia.

Kim Yong-sun Meets With Japanese Delegation

*SK1104042395 Pyongyang KCNA in English 0410
GMT 11 Apr 95*

[FBIS Transcribed Text] Pyongyang, April 11 (KCNA)—Kim Yong-sun, secretary of the C.C. [Central Committee], the Workers' Party of Korea and chairman of the Korean Asia-Pacific Peace Committee, met with the visiting delegation of the New Japan Professional Wrestling Co., Ltd. led by its President Kanji Inoki, who is leader of the Japan Sports Peace Party and member of the House of Councillors, here on Sunday [9 April].

He had a talk with the guests in a friendly atmosphere.

Present on the occasion was Chon Kum-chol, vice-chairman of the Korean Asia-Pacific Peace Committee.

Chongnyon Central Committee Vice Chairman Visits

*SK1204005495 Pyongyang KCNA in English 2230
GMT 11 Apr 95*

[FBIS Transcribed Text] Pyongyang, April 11 (KCNA)—Kwon Sun-hui, vice-chairman of the Central Standing Committee of the General Association of Korean Residents in Japan [Chongnyon], arrived here today for a visit to the socialist homeland.

He was met at the airport by Kim Su-ik, general director of the General Bureau of Reception for Overseas Compatriots, and officials concerned.

Program Approved Regarding 'Comfort Women' Issue

*SK1104225095 Pyongyang KCNA in English 2153
GMT 11 Apr 95*

[FBIS Transcribed Text] Pyongyang, April 11 (KCNA)—The final meeting for the preparation of the Fourth World Women's Conference, to be held in Beijing in September this year, approved an action programme of the conference on April 7.

Included in the programme is a request to governments and international organizations for the investigation into the case of the "comfort women" caused by the former Japanese Army, the lawsuit against and punishment of those responsible.

The action programme calls for a thoroughgoing investigation into the sex slavery of the former "comfort women for the army", a lawsuit against the war criminals and compensation to the victims.

'Smear Campaign' of Japanese Reactionaries Noted

*SK1104045795 Pyongyang KCNA in English 0446
GMT 11 Apr 95*

[“Anti-DPRK Smear Campaign of Japanese Reactionaries Under Fire”—KCNA headline]

[FBIS Transcribed Text] Pyongyang, April 11 (KCNA)—Papers here today comment on the recent schemings of the Japanese reactionaries to link an incident of firing at the Japanese police chief with the Democratic People's Republic of Korea in a far-fetched way.

The attempt of the Japanese reactionaries to link the incident with the DPRK is a product of their premeditated hostile moves against the DPRK and an open challenge to it, the analyst of NODONG SINMUN says, and continues:

Their allegation that a “badge of the Korean People's Army (KPA)” was found on the scene of the incident is utterly groundless. The KPA has not the same “badge” as they describe.

All kinds of crimes are occurring in Japan in succession. But, the Japanese reactionaries are trying to link the shooting incident in their country with the DPRK. This is a dastardly act which cannot convince anyone.

It must not go unnoticed that the Japanese reactionaries have launched an anti-DPRK campaign at a time when the resumption of the DPRK-Japan talks is being put on the order of the day.

It is no accident that they are trying to link the firing incident with the DPRK immediately after an agreement for the resumption of the DPRK-Japan talks was adopted and published on the basis of the three-party joint declaration.

They are now launching an anti-DPRK smear campaign, motivated by a sinister purpose to foster anti-DPRK sentiments among the Japanese people, quell down their demand for the improvement of the DPRK-Japan relations and throw a chill over the implementation of the agreement and the improvement of these relations.

The analyst of MINJU CHOSON warns:

The Japanese reactionaries must clearly see that they cannot block the trend of the times and aspirations of the

people with foolish tricks, and they must stop the anti-DPRK smear campaign and apologize for groundlessly hurling mud at the DPRK.

'Viciousness' of Campaign Noted

*SK1204024395 Pyongyang Korean Central
Broadcasting Network in Korean 1222 GMT 11 Apr 95*

[NODONG SINMUN 11 April commentary: "Cheap Smear Campaign Will Not Work"]

[FBIS Translated Text] As was reported, the Japanese reactionaries are trying to link the incident of the shooting at the chief of the Japanese Police Agency to us in a far-fetched way.

The person who fired at him on the morning of 30 March was around 40 years old and around 180 cm tall. Some Japanese media organizations have reported that a so-called badge of the Korean People's Army (KPA) was found nearby on 2 April and that if the badge is authentic, an organization of people who have ties with North Korea would come under suspicion for being involved in the incident.

This is a mere cheap smear campaign to link the incident to us in a far-fetched way.

It is well known that the Japanese reactionaries have perpetrated anti-Republic commotions, linking some domestic incidents to us in far-fetched ways. The attempt by the Japanese reactionaries to link this shooting incident to us is a product of their hostile anti-Republic policy and an open challenge to it. We cannot but take this seriously.

Their allegation that a KPA badge was found on the scene of the shooting incident is a groundless fabrication. Our People's Army badge differs from the badge they describe. Nevertheless, the Japanese reactionaries have found fault with us, fabricating the so-called badge in a far-fetched way and linking the shooting incident to us. This shows the viciousness with which they are launching an anti-Republic smear campaign.

All kinds of crimes are committed in Japan. Recent examples are the gassing of the Tokyo subway system and the murder incident involving a pistol. This shooting incident is merely one of them.

Their attempt to link this domestic shooting incident to us is a dastardly act which cannot convince anyone.

It must not go unnoticed that the Japanese reactionaries are launching an anti-Republic campaign at a time when the resumption of the DPRK-Japan talks is being pursued. The agreement on resuming DPRK-Japan talks was signed in Pyongyang recently. Under this agreement, DPRK-Japan intergovernmental talks will resume to discuss the establishment of diplomatic relations. This ninth round of talks is in every way the continuation of the on-going talks with the historic three-party joint declaration adopted by the Workers Party of Korea

[WPK], Japan's Liberal Democratic Party of Japan, and the Social Democratic Party of Japan.

People from all walks of life in Japan welcome the adoption of the agreement on resuming DPRK-Japan talks and hope that the talks will resume at the earliest possible date. Japanese reactionaries who are unhappy with the improvement in DPRK-Japan relations, however, are trying to lead the relations to becoming more hostile. Therefore, they are running wild to hinder the DPRK-Japan talks as they did in the past. It is no accident that they are trying to link the shooting incident to our Republic immediately after the adoption and release of the agreement for resuming the DPRK-Japan talks based on the three-party joint declaration.

In so doing, they seek the sinister purpose of fostering anti-Republic sentiments among Japanese people, quelling their demand for the improvement of the DPRK-Japan relations, and throwing a wet blanket over the implementation of the agreement and improvement of the DPRK-Japan relations. This is a very foolish attempt.

The Japanese reactionaries will not by any means be able to stop the common aspirations of our people and the Japanese people to improve DPRK-Japan relations, develop friendship, and promote peace and stability in Asia. The Japanese reactionaries must clearly see the trend of the times, immediately stop their hostile anti-Republic smear campaign, and offer an apology to us.

Japanese Delegates Bring Gift for Kim Chong-il

*SK1104042795 Pyongyang KCNA in English 0411
GMT 11 Apr 95*

[FBIS Transcribed Text] Pyongyang, April 11 (KCNA)—The great leader Comrade Kim Chong-il received a gift from President of the New Japan Professional Wrestling Co., Ltd. Kanji Inoki who is the leader of the Japan Sports Peace Party and member of the House of Councillors.

The gift was handed to Kim Yong-sun, secretary of the Central Committee of the Workers' Party of Korea and chairman of the Korean Asia-Pacific Peace Committee, by Kanji Inoki, who is heading the delegation of the company on a visit to Korea.

Soirees Commemorate Kim Chong-il's Anniversary

*SK1004001195 Pyongyang Korean Central
Broadcasting Network in Korean 1300 GMT 9 Apr 95*

[FBIS Translated Excerpt] People's Army soldiers and young people and students held soirees on the evening of 9 April in various places of the capital to commemorate the second anniversary of the election of Comrade Kim Chong-il, supreme commander of the Korean People's Army [KPA], who is the great leader [yongdoja] of our

party and our people, as chairman of the DPRK National Defense Commission. [passage omitted]

A soiree of Army, Navy, and Air Force soldiers of the Ministry of People's Armed Forces was held at Chonsung [War Victory] Plaza to commemorate the second anniversary of the election of the great leader [yongdoja] Comrade Kim Chong-il as chairman of the DPRK National Defense Commission. [passage omitted]

Comrade Choe Kwang, vice chairman of the DPRK National Defense Commission and chief of the KPA General Staff; KPA Vice Marshal Kim Kwang-chin; senior officials of the Ministry of People's Armed Forces; and Army, Navy, and Air Force soldiers of the KPA attended the soiree.

Kim Myong-hwa, vice chairman of the KPA Committee of the League of Socialist Working Youth of Korea, spoke at the soiree. [passage omitted]

Kim Chong-il Sends Thanks to Officials, Veterans

*SK1004051695 Pyongyang KCNA in English 0506
GMT 10 Apr 95*

[FBIS Transcribed Text] Pyongyang, April 10 (KCNA)—The great leader Comrade Kim Chong-il sent thanks to director Kim Pyong-chan and officials of the Toksung-ri clinic in Yongchon County, North Pyongan Province, for having distinguished themselves in the implementation of the Workers' Party of Korea's health policy and to old men Yi Chong-mun and Kang Su-yun and eleven war veterans residing in Pyongyang for having done good things for the country and the people.

His thanks also went to scores of servicemen's families including families of officers of the command of the Yi Hi-son unit of the Korean People's Army who looked after the life of soldiers with parental affection.

Sends Thanks to Units, Workers

*SK1104045295 Pyongyang KCNA in English 0431
GMT 11 Apr 95*

[FBIS Transcribed Text] Pyongyang, April 11 (KCNA)—The great leader Comrade Kim Chong-il sent thanks to different units, officials, working people and members of three-revolution teams, for giving full play to the traditional trait of Army-people unity. Among them were officials of the Secretariat of the Administration Council, officials of the Pukchang County Administrative and Economic Committee of South Phyongan Province, and to the South Phyongan Provincial Committee of the Workers' Party of Korea, Taesong Department Store, Pyongyang Cosmetics Factory, the Hwawon Primary School, Changyon County of South Hwanghae Province, to a researcher of the Changsusan University, Kim Song-on and his wife Kang Chun-to and a member of the three-revolution team dispatched to the maritime sports team, Yi Chong-chol.

Comrade Kim Chong-il highly appreciated the soldiers of the Yim Il-nam Unit of the Korean People's Army, who are conducting propaganda work among travelers in trains.

South Koreans 'Deeply Revering' Kim Il-song

*SK1104101495 Pyongyang KCNA in English 1005
GMT 11 Apr 95*

[FBIS Transcribed Text] Pyongyang, April 11 (KCNA)—South Korean people are deeply revering the great leader President Kim Il-song, while speaking highly of his greatness, Seoul-based radio Voice of National Salvation [VNS] reported.

A historical scholar Kim in Pusan told his students:

"The tradition which our nation should inherit is only the revolutionary tradition which was provided by General Kim Il-song, a peerless patriot and the liberator of the country, in the period of the anti-Japanese war.

"It is, indeed, a great feat that he laid foundations of our Tangun nation. You must know that with this great revolutionary tradition provided in the anti-Japanese war, the bright future of our nation is in store."

On March 8, a florist surnamed Choe in Samchok County, South Korean Kangwon Province, hung a portrait of President Kim Il-song on a wall of his living room and put before it a pot of magnolia which he cultivated with utmost care for years. Then, he told his family members:

"Though I cannot have my desire to greet President Kim Il-song with a magnolia-decorated gate met, I will keep this flower more beautiful generation after generation. Seeing this flower, I will never forget undying feats of President Kim Il-song, who devoted his whole life to the independence and sovereignty of the nation and the reunification of the country."

Listening to him, his family members vowed to always have respected President Kim Il-song in magnolia fragrance. A soldier Choe belonging to the Fellowship Society of Patriotic Soldiers in the South Korean puppet army told his colleagues:

"Respected President Kim Il-song was a peerless hero who defeated U.S. and Japanese imperialisms in one generation, an unparalleled sage and the tender-hearted father of all the people.

"He, a great man of the century who performed greatest feats in this century, will be immortal in the heart of humankind with the history of the sun."

More Foreigners Call at Statue of Kim Il-song

*SK0904085495 Pyongyang KCNA in English 0834
GMT 9 Apr 95*

[FBIS Transcribed Text] Pyongyang, April 9 (KCNA)—Charge d'Affaires ad Interim of the Cambodian Embassy in Pyongyang Oum Lieng Cheat [spelling of name as

received] and his embassy officials and foreign and overseas Korean artistes who came here to participate in the 13th April Spring Friendship Art Festival and overseas Korean delegations and home-visiting groups staying in the socialist homeland called at the statue of the great leader President Kim Il-song on Mansu Hill on April 8 and laid floral baskets and bouquets before it and paid homage to him on the lapse of the nine months since his death.

On the 7th, a Liaoning provincial friendship delegation led by Wen Shizhen, deputy secretary of the Liaoning provincial committee of the Communist Party of China and governor of the Liaoning Provincial People's Government, and a government cultural delegation of China and a delegation of the Wuqiao International Circus Festival of China which came here to participate in the 13th April Spring Friendship Art Festival laid bouquets of flowers before the statue of President Kim Il-song on Mansu Hill and made bows before it.

Zhang Hualin, head of the government cultural delegation of China, said: "I hope the Korean people will change their sorrow into strength and achieve greater success in the building of the Korean-style socialism, true to the behests of President Kim Il-song, under the leadership of supreme commander Comrade Kim Chong-il, the great leader."

Japanese, Zambian Delegations

*SK1004051495 Pyongyang KCNA in English 0503
GMT 10 Apr 95*

[FBIS Transcribed Text] Pyongyang, April 10 (KCNA)—A parliamentary delegation of Zambia led by deputy speaker Fitz Patrick Chuula laid a floral basket before the statue of the great leader President Kim Il-song standing on Mansu Hill on Saturday to pay homage to him.

Bouquets were also laid before the statue on the same day by a delegation of the new Japan Professional Wrestling Co., Ltd. led by its president Kanji Inoki, who is leader of the Japan Sports Peace Party and member of the House of Councillors, chairman of the Zambia-Korea Friendship Association Dickson William Chokoma Matutu, a delegation of Germany for study of the *chuche* idea led by Michael Koth, who is vice-chairman of the Communist Party of Germany, and a delegation of the American Committee on Korea headed by its executive director John Swomley.

Indian, Thai Delegates Visit

*SK1204042295 Pyongyang KCNA in English 0416
GMT 12 Apr 95*

[FBIS Transcribed Text] Pyongyang, April 12 (KCNA)—Military Attache of the Indian Embassy in Pyongyang Neville J. Dias [spelling of name as received] and the first tourist group of Thailand called at the statue of the great leader President Kim Il-song standing on Mansu Hill in Pyongyang to pay homage to him.

They laid bouquets and flowers before the statue and made a bow with deep respect and reverence for President Kim Il-song who had performed undying feats for the times and humankind.

Neville J. Dias said that the death of his excellency President Kim Il-song, the great leader, was a great loss not only for the Korean people but also for the Indian people and servicemen. As long as it is led by his excellency supreme commander Kim Chong-il, the revolutionary cause started by the president will be accomplished along the straight road to victory.

KPA Holds Public Presentation on Kim Il-song

*SK1204044295 Pyongyang KCNA in English 0430
GMT 12 Apr 95*

["Public Presentation of Greatness of President Kim Il-song"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, April 12 (KCNA)—The Ministry of the People's Armed Forces held a public presentation of the greatness of the respected leader President Kim Il-song here on Tuesday [11 April].

The participants there observed a moment's silence in memory of Generalissimo Kim Il-song who had devoted all his life to the strengthening and development of the revolutionary Armed Forces of *chuche* and to the human cause of independence.

Taking the floor at the presentation were Choe Kwang, member of the Political Bureau of the C.C. [Central Committee], the Workers' Party of Korea and chief of the General Staff of the Korean People's Army [KPA], Vice Marshal Kim Kwang-chin and other generals of the KPA.

The speakers elaborated on the great exploits performed by the fatherly leader generalissimo Kim Il-song, the father of socialist Korea and the lodestar of human liberation, which will remain forever in the history of struggle for human liberation.

They noted that the respected leader Comrade Kim Il-song founded the immortal *chuche* idea to show the road ahead of the era of independence and built a socialist paradise centered on the popular masses in this land with his extraordinary leadership and thus set a model of the world in realizing the cause of independence.

On the military miracles wrought by President Kim Il-song which will shine for ages, they pointed out that he was the first in history to adopt the popular masses as the masters of the revolutionary war and defeated two imperialisms in one generation with unusual military strategy and war method of *chuche*, thus opening a new history of the victorious revolutionary war.

The speakers stressed that all the officers and men should more vigorously fight for the accomplishment of the revolutionary cause of *chuche* and for the reunification of the country, closely rallied around respected

supreme commander Comrade Kim Chong-il, with the unshakable faith that Comrade Kim Il-song is always with them.

Participants, Speeches Reported

*SK1204071195 Pyongyang Korean Central
Broadcasting Network in Korean 2200 GMT 11 Apr 95*

[FBIS Translated Text] A public presentation on the greatness of Comrade Kim Il-song, the respected and beloved leader of our party and our people, was held at the 8 February Cultural Hall on 11 April under the auspices of the Ministry of the People's Armed Forces.

Attending the public presentation were Comrade Choe Kwang, member of the Political Bureau of the Central Committee of the Workers' Party of Korea and chief of the general staff of the Korean People's Army [KPA]; Comrades Kim Pong-yul and Kim Kwang-chin, vice marshals of the KPA; responsible functionaries of the Ministry of the People's Armed Forces; general-grade officers and other officers.

The participants paid a silent tribute to the memory of Generalissimo Kim Il-song, the great leader, who had devoted all his life to the prosperity and welfare of the fatherland; to the happiness of the people; to the strengthening and development of the revolutionary armed forces of *chuche*; and to the independent cause of humankind.

Taking the floor at the public presentation were Comrade Choe Kwang, General Yi Pong-won, Vice Marshal Kim Kwang-chin, and Colonel General Pak Chae-kyong under the themes of "The respected and beloved leader Comrade Kim Il-song is the great sun of humankind who illuminated the 20th century with his outstanding ideology and extraordinary leadership," "The respected and beloved leader Comrade Kim Il-song is a great revolutionary who died in the line of duty [*sunjik*] after devoting all his life to the fatherland and the people," "The respected and beloved leader Comrade Kim Il-song is a great, brilliant commander who created military miracles which will shine for centuries," "The respected and beloved leader Comrade Kim Il-song is a great man who brilliantly embroidered the whole course of the revolutionary struggle with boundlessly warm comradeship and a precious revolutionary sense of obligation."

The speakers elaborated, by saying: All soldiers of the People's Army are marking the birthday of the leader [*suryongnim*] with the deep yearning for the fatherly leader Generalissimo Kim Il-song, the founding father of the socialist Korea and the lodestar of human liberation. Our leader made immortal, great achievements in the history of the fatherland and in the history of the struggle for human liberation, while devoting all he had solely to the sacred cause for the revolution and the people.

They emphasized: Because of the *chuche* idea, the original revolutionary ideology centered around people, a new era has unfolded in which our country is giving forth

rays to all corners of the world and in which the popular masses are carrying out the revolutionary struggle in an independent, creative fashion.

They said: All the days of the respected and beloved leader's 80-year-long life were those he spent camping out under the open sky without taking rest or sleep. Our leader shared joys and sorrows with the people and devoted all he had to the people until the last moment of his life, while cutting through all kinds of hardships and while regarding the idea of serving the people like heaven as his personal motto.

Touching on the fact that Generalissimo Kim Il-song, the great leader, created military miracles which will shine for centuries, the speakers said: The leader who had created the military ideology of *chuche*, opened a new history for the victory of the revolutionary war by vanquishing two imperialist, formidable enemies in one generation by employing matchless military strategies and *chuche*-oriented war tactics, while putting up the popular masses as the masters of the revolutionary war for the first time in history.

They said: Because of the great achievements he made before the times and humanity and because of his noble virtues, the respected and beloved leader will remain immortal in the hearts of all the people. With the firm conviction that the leader will be forever with us, all the officers and men of the armed forces should more strenuously struggle to consummate the revolutionary cause of *chuche* and to achieve fatherland reunification by firmly rallying around the respected and beloved Supreme Commander Comrade Kim Chong-il.

Kim Il-song Birth Anniversary Celebrations Noted

*SK1004101595 Pyongyang KCNA in English 1006
GMT 10 Apr 95*

[FBIS Transcribed Text] Pyongyang, April 10 (KCNA)—Functions were held in different countries to commemorate the birth anniversary of the great leader President Kim Il-song.

Meetings were held on April 1 and 3 by the Sweden-Korea Friendship Association and the Zimbabwean National Liberation War Veterans Committee.

Speakers at the meetings said that President Kim Il-song's was the great lifetime of the people's leader who had brilliantly brought into practice the idea of "believing in the people as in heaven".

They stressed it is one of the greatest feats for humankind that President Kim Il-song founded the *chuche* idea, and his august name and revolutionary exploits would be alive in the hearts of the Korean people and the world's progressive people.

Meanwhile, the group for the study of Kim Il-song-Kim Chong-il *chuche* idea in Vienna, Austria and the Bulgarian group for the study of the *chuche* idea held

seminars on President Kim Il-song's famous work "10-point Programme of the Great Unity of the Whole Nation for the Reunification of the Country".

Korean film shows and photo exhibitions were arranged by the Ugandan National Committee for the Study of the Chuche Idea, the Zairean Society for the Study of Kim Chong-il's Works and at the cultural centre in Dar-es-Salaam, Tanzania and the Bamako youth hall in Mali.

The Sweden-Korea Friendship Association published a special issue of its magazine "INFORMATION ON KOREA" and the Senegalese organization for friendship with the fraternal Korean people a special issue of the bulletin commemorating April 15 under the headline "The Great Exploits of President Kim Il-song Will Shine Forever".

Foreign Councillors See Museum

SK1104052095 Pyongyang KCNA in English 0459 GMT 11 Apr 95

[FBIS Transcribed Text] Pyongyang, April 11 (KCNA)—The economic and commercial councillors corps here visited the Chonsung Revolutionary Museum on Monday on the birth anniversary of the great leader President Kim Il-song.

Preserved in the museum are mementoes showing the fact that President Kim Il-song wisely led the Korean people and People's Army to win a brilliant victory in the fatherland liberation war (June 25, 1950-July 27, 1953).

After visiting the museum, Evgeny Bilim, trade representative of the Russian Federation, said that though the great leader Comrade Kim Il-song passed away, many people and artistes of the world are still coming to Pyongyang, not forgetful of him.

Commercial Councillor of the Cuban Embassy Oscar Quintero noted that the museum which is associated with the great feats of the respected leader Comrade Kim Il-song is an important centre for education of the rising generation.

Chen Yufa, economic and commercial councillor of the Chinese Embassy, said that the feats of the great leader will remain forever in the hearts of the Korean people and the Chinese people.

National Photo Exhibition Opens

SK1104045195 Pyongyang KCNA in English 0428 GMT 11 Apr 95

[FBIS Transcribed Text] Pyongyang, April 11 (KCNA)—A national photo exhibition opened here Monday [10 April] on the occasion of the 83rd birth anniversary of the great leader President Kim Il-song, April 15.

Displayed at the exhibition hall are 150 pictures showing the brilliant revolutionary activities of the fatherly leader President Kim Il-song and the struggle of party members

and working people who are working hard to fulfill his behests, changing their bitter sorrow at his death into strength and courage.

Among them are pictures "The Great Leader Comrade Kim Il-song Giving On-the-Spot Guidance to the Kumdang Cooperative Farm, Onchon County," "The Great Leader Comrade Kim Il-song Among Workers of the Komdok Mine," "The Great Leader Comrade Kim Il-song Seeing an 'Our Family Book' During His On-the-Spot Guidance to the Chonchon Manufactured Goods Store," "The Great Leader Comrade Kim Il-song Among School Boys and Girls Who Participated in the 1994 New Year Art Performance" and "The Great Leader Comrade Kim Il-song Congratulating the Participants in the Fifth Congress of the Korean Children's Union."

"Working People Resolved To Hold the Great Leader Comrade Kim Il-song in High Esteem Forever," "Soldiers in the Construction of the Chongnyu Bridge (Second Stage) and Kumnung Tunnel No. 2" and other pictures show well the unshakable resolution and struggle of the Korean people to carry the revolutionary cause of chuche to accomplishment through generations, remaining faithful to the great leader Comrade Kim Chong-il, as they vowed before the bier of President Kim Il-song.

The participants in the opening ceremony observed a respectful silence in memory of President Kim Il-song.

Chang Chol, vice-premier and minister of culture and art, addressed the opening ceremony.

Stamp Issued for Anniversary

SK1104041995 Pyongyang KCNA in English 0406 GMT 11 Apr 95

[FBIS Transcribed Text] Pyongyang, April 11 (KCNA)—The Ministry of Post and Telecommunications issued souvenir stamps, a postcard and an envelope on the threshold of the 83rd anniversary of the birth of the great leader President Kim Il-song.

Among those stamps are a sheet "The Father Generalissimo Is Our Eternal Sun", carrying the sun-like image of President Kim Il-song who had shown boundless love for the children, calling them "king" of the country, a sheetlet representing the native home in Mangyongdae in spring of April, and a sheetlet portraying Kimilsongia against the background of the sun and the tower of the chuche idea.

The ministry also issued a commemorative postcard on which Kimilsongia is printed against the background of Mangyong Hill with letters "April 15" written, and an envelope depicting the native home in Mangyongdae.

New Volume of Reminiscences

SK1104105495 Pyongyang KCNA in English 1030 GMT 11 Apr 95

[FBIS Transcribed Text] Pyongyang, April 11 (KCNA)—The volume 6 of anti-Japanese revolution, the

1st part of the reminiscences of the great leader President Kim Il-song "With the Century", has come out by the Workers' Party of Korea publishing house on the threshold of his 83rd birth anniversary.

The volume is precious posthumous works written by President Kim Il-song in his lifetime.

It consists of three chapters and twenty articles, covering the historical period from March to November, 1937 when a new milestone was set in the struggle for the Korean national liberation and the Korean communist movement.

Printed in the preface of the volume is a proposition of President Kim Il-song with regard to the battles of the Korean People's Revolutionary Army (KPRA) for advance into Korea.

Also printed in it are a number of pictures including the picture President Kim Il-song posed for with guardsmen of the command with whom he shared life and death during the arduous anti-Japanese war and pictures showing battles for advance of a large unit of the Korean People's Revolutionary Army into the homeland.

In the book, President Kim Il-song recalled with deep emotion about the vigorous march to Fusong made before the advance of a large KPRA unit into the homeland and the efforts he had made for rallying broad segments of anti-Japanese patriotic forces in the united front of the nation under the banner of the association for the restoration of the fatherland.

Included in the book are historical facts that President Kim Il-song marched into the beloved homeland at the head of a KPRA unit and led the Pochonbo battle to victory and that he energetically organized and led the struggle for preparations of an all people uprising in face of the new situation in which the China-Japan war broke out.

It also contains impressive stories showing how important it was for the revolutionaries to have an unshakable faith and will in whatever circumstances in the anti-Japanese revolutionary struggle and stories about strong sense of revolutionary obligation and comradeship displayed by the anti-Japanese guerrillas during the period.

What deeply moves the readers in particular are the stories about the noble communist virtues, warm human love and comradeship, with which President Kim Il-song had shown great trust in and love to the anti-Japanese guerrillas and the people and had shown a strong sense of revolutionary obligation for his beloved comrades-in-arms who laid down their lives.

Five volumes of the reminiscences of President Kim Il-song were published until last year. The first two volumes of the anti-Japanese revolution, part 1 of "With the Century", came out in April, 1992.

Foreign Papers Publish Articles

SK1104102995 *Pyongyang KCNA in English* 1014
GMT 11 Apr 95

[FBIS Transcribed Text] Pyongyang, April 11 (KCNA)—Foreign papers carried articles on the birth anniversary of the great leader President Kim Il-song.

The first semi-monthly issue of April of the Mexican paper COMBATIENTE carried an article headlined "Kim Il-song, Whole Life Devoted to Korean People".

The paper said in an article:

The whole life of Comrade Kim Il-song which passed with the 20th century when unprecedented changes have taken place in the history of world politics was a brilliant one of the great leader who enforced the supreme policy of "believing in the people as in heaven".

Comrade Kim Il-song devotedly worked for the cause of the people and led the revolution and construction to a victory. Indeed, the whole life of Comrade Kim Il-song was one of a people's leader who devotedly served the people with warm love for them.

The Russian paper PATRIOT No. 12 printed an article titled "Question of Patriotism and the Chuche Idea" written by its editor-in-chief Mikhail Zemskov.

The author of the article said that President Kim Il-song was a world-famous statesman, adding:

He deeply loved the people and realized the benevolent politics with noble personality.

A creative and original thinker and theoretician, he founded and completed the chuche idea. This idea which was founded by Comrade Kim Il-song by most correctly reflecting the objective requirement of the revolutionary changes in Korea and the interests and desire of the Korean people and systematizing them theoretically is of weighty significance going far beyond the narrow framework of the nation.

The Ugandan paper THE TRIBUNE and the Jordanian paper AL JAHAMIR published articles captioned "Praise of Peerless Great Man" and "People's Korea Observes Birth Anniversary of President Kim Il-song".

The Pakistan-Korea Friendship Association published a special issue of bulletin under the title "A Country Blessed With Sagacious Leaders and Faithful People" and the Zimbabwean National Committee for the Study of the Chuche Idea and the Zimbabwe-Korea Solidarity and Friendship Association a special issue of bulletin headlined "Comrade Kim Il-song, a Peerless Great Man" in the joint name.

Military Attaches at Mangyongdae

SK1204042995 *Pyongyang KCNA in English* 0423
GMT 12 Apr 95

[FBIS Transcribed Text] Pyongyang, April 12 (KCNA)—The military attaches' corps in Korea visited

Mangyongdae Tuesday on the occasion of the birth anniversary of the great leader President Kim Il-song.

At the native home in Mangyongdae the visitors went round the well-preserved relics with keen interest, being briefed on the historical story which will be handed down forever along with this time-honored home.

After the visit, the guests wrote in the visitor's book.

Deputy military attache of the Chinese Embassy Sun Yanfeng wrote that Mangyongdae is a sacred place of the Korean revolution where Comrade Kim Il-song, the great leader of the Korean people, was born and that he had devoted all his life to the Korean revolution, the prosperity and development of the country and to the happiness of the people.

He provided friendship between China and Korea and made a great contribution to its development, the deputy military attache added.

The Korean people closely rallied around Comrade Kim Chong-il, supreme commander, will accomplish the revolutionary cause started by Comrade Kim Il-song, the great leader of the Korean people and a close friend of the Chinese people, and successfully implement his behests, he wrote.

The military attaches' corps also visited the exhibition hall of Comrade Kim Il-song's works on the same day.

Peruvian Military Attache Bernard Cristian Braun Luy said, after going round the hall, that the works authored by respected Comrade Kim Il-song and Comrade Kim Chong-il are very valuable and they have built, with the great idea and leadership, Korea to be a wonderful country as it is today.

Egyptian Military Attache Rafat Yusri Rashad Mihail wrote in the visitor's book: I saw the treasure house of the great ideas and theories which show a bright road ahead of the world people.

Foreign Students Praise Kim

*SK1204045495 Pyongyang KCNA in English 0441
GMT 12 Apr 95*

["Oratorical Session of Foreign Students"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, April 12 (KCNA)—An oratorical session of foreign students who are studying at Kim Il-song University took place on Tuesday on the birth anniversary of the great leader President Kim Il-song.

Russian, Mongolian, Vietnamese, Chinese and Cuban students participated in the session with narratives, comic chats, interludes, oral narrations, dialog poems, real stories and other oratorical events and Korean songs.

The performers in narratives said that they do not forget President Kim Il-song though time flows, adding that they deeply felt during their study here how deeply all the Korean people are revering him and have held him in high esteem as the father.

They stressed that President Kim Il-song is not only the great leader of the Korean people whom the Korean nation acclaimed for the first time in its five-thousand-year history but also an outstanding genius of humankind.

Library Opens in Bulgaria 3 Apr

*SK1204042095 Pyongyang KCNA in English 0413
GMT 12 Apr 95*

[FBIS Transcribed Text] Pyongyang, April 12 (KCNA)—The Kim Il-song Library opened with due ceremony on April 3 in Sofia, Bulgaria, on the occasion of the birth anniversary of the great leader President Kim Il-song.

Prior to the ceremony, Bulgarian little girls in national costume laid bunches of flowers before the portrait of President Kim Il-song hanging on a wall of the library on behalf of personages of various circles, and the participants paid a silent tribute to the memory of President Kim Il-song.

Member of the National Assembly of Bulgaria Stefan Gaytandjiev, Chairman of the Bulgaria-Korea Friendship Association Georgi Stoyanov and Chairman of the Slatina District Branch of the Union Against Fascism Aleksander Kirkov [spelling of names as received] said in their addresses that respected Comrade Kim Il-song was the greatest of the great men in the world who was peerless in human history.

Noting respected Comrade Kim Il-song created the great chuche idea and worked with all devotion for the people to the last moments of his life, they emphasized that he was the great leader of the people who had done all he could for the people.

They expressed the determination to deeply study to get knowledge of the greatness and exploits of leadership of Comrade Kim Il-song and Comrade Kim Chong-il through the Kim Il-song Library.

A letter to Comrade Kim Chong-il was adopted at the ceremony.

Biography of Kim's Early Days

*SK1104225495 Pyongyang KCNA in English 2201
GMT 11 Apr 95*

[FBIS Transcribed Text] Pyongyang, April 11 (KCNA)—The 15th of April 1912 was a significant day when the great leader President Kim Il-song was born.

The august name of him who has been kept as the sun in the heart of humankind fully represents the desire of the Korean people.

He was born into a revolutionary family in time-honored Mangyongdae, drawing the attention of people and signalling the fortune of Korea in greeting a great man.

The natural phenomena of the year were unusual—the flower season came earlier than ever and the sky was strewn with brilliant stars. This made villagers tell a legend that a great man came from the heaven. They were overjoyed.

Every day, the native home of President Kim Il-song was crowded with visitors who came to see him.

Villagers earnestly asked his parents to name him "Song-chu" in the hope that he would defeat the Japanese imperialists and became the pillar of the country. Hence, he was named Kim Song-chu.

His second name was "Hanbyol".

This name "Hanbyol" was given by the first generation of the Korean revolution including Kim Hyok, Cha Kwang-su and Choe Chang-kol in the autumn of 1928.

In those days, young communists, highly praising him as the lodestar, had covered an arduous road of the revolution with unconditional and unquestioned respect for and trust in him, looking up only to him.

They had kept in their breast pockets a red-coloured five-point star embroidered on a white silk cloth to express their iron will to fight under his leadership always with pure and clear minds.

His third name is Kim Il-song.

Representing the unanimous desire of all the Korean people, the young communists of Korea decided in Wujiazi in 1930 to give him the name "Kim Il-song" meaning the sun and announced it.

People were struck with admiration at his profound theory and perfect political faculty, prospective design and magnanimity, distinguished strategy and virtue and said with high estimation that he was the only man who would lead the Korean people and build a new Korea.

With emotional feelings, they declared that he was the sun who rose above Korea in misfortune, saying they could not compare him only to the star in the dark sky.

Cha Kwang-su and other young communists who felt ardent reverence and praise of the people for President Kim Il-song everywhere determined not to put off the work of calling him Comrade Kim Il-song and proposed it to the men of the Korean Revolutionary Army and members of the Young Communist League and the Anti-Imperialist Youth League. Instantly, the offer was fully approved.

Since then have the Korean people called him Kim Il-song as the sun soaring high in the sky.

His name will remain immortal together with his great exploits.

10 Apr Film Show Marks Occasion

SK1104042095 Pyongyang KCNA in English 0408
GMT 11 Apr 95

[FBIS Transcribed Text] Pyongyang, April 11 (KCNA)—The State External Economic Affairs Commission sponsored a film show Monday [10 April] on the threshold of the birth anniversary of the great leader President Kim Il-song.

Invited to the show were members of the Economic and Commercial Councillors' Corps in Korea.

Vice-chairman of the Commission Choe Pong-su and officials concerned were present.

The participants saw Part 3 "The Great Leader Comrade Kim Il-song Will Always Live in the Heart of Humankind" of the Korean documentary film "The Great Leader Comrade Kim Il-song Is Immortal".

11 Apr Film Show Marks Birthday

SK1204042395 Pyongyang KCNA in English 0417
GMT 12 Apr 95

[FBIS Transcribed Text] Pyongyang, April 12 (KCNA)—A film show was given on Tuesday by the State External Economic Affairs Commission on the occasion of the birth anniversary of the great leader President Kim Il-song.

Invited there were foreign technicians and delegates of corporations staying in the Democratic People's Republic of Korea.

Choe Pong-su, vice-chairman of the commission, and other officials concerned were present there.

The participants saw the Korean documentary film "The Great Leader Comrade Kim Il-song Is Immortal".

Power Plants Achieve 'Innovations' in Power

SK1204032795 Pyongyang Korean Central
Broadcasting Network in Korean 2100 GMT 11 Apr 95

[FBIS Translated Text] Power plants in various regions under the Ministry of Electric Power Industry, who have risen in one body to accomplish the revolutionary economic strategy, are achieving great innovations in electricity generation with the approach of the birthday of the great leader [suryongnim].

In an interview with station reporter Kim Yun-chin, Comrade Kim Hyon-son, vice director of a bureau of the Ministry of Electric Power Industry, says:

[Begin Kim Hyon-son recording] At the moment, electricity generating workers in various regions under our Ministry of Electric Power Industry, who have risen as one to accomplish the party's revolutionary economic strategy, are achieving great innovations in electricity generation with the approach of the great leader's birthday.

Electricity generating workers at power plants in various regions, who deeply understand the importance of electricity in all sectors of the people's economy, are daily overfulfilling their electricity generation plans by operating every unit of equipment at full capacity.

With a view to generating more electricity, electricity generating workers at the Kanggye Youth Power Plant are increasing electricity generation while digging out earth and sand piled up along the water intake ditch by making (?embankments) on their own and while making a water route.

Dam-style power plants, such as the Kaechon Hydroelectric Power and Taedonggang Hydroelectric Power Complexes, are increasing their generating capacity per tonne of water by operating equipment at a high-water level, thereby generating more electricity with the same amount of water.

The Hochongang and Pujongang Power Plants are overfulfilling their individual plans by not wasting even a drop of water, using it instead in electricity generation, while effectively managing water intake channels.

Moreover, many power plants under the Ministry of Electric Power Industry, including the Pukchang Thermoelectric Power and 17 March Hydroelectric Power Complexes, are vigorously struggling to increase electricity generation with the pride that they are defending power for the people's economy.

In the future, we will also conduct checks and repairs of electricity generating facilities on a timely basis to meet the increasing demand for electricity in various sectors of the people's economy; we will achieve innovations in electricity generation by operating generators at full capacity. [end recording]

Chuche Idea Stressed as Foundation of Unity

*SK1104092995 Pyongyang Korean Central
Broadcasting Network in Korean 2252 GMT 10 Apr 95*

[Unattributed talk: "Chuche Idea Is Ideological Foundation of Our Single-hearted Unity" from the "Ray of Chuche" program]

[FBIS Translated Text] Today, our single-hearted unity serves as the most solid, mightiest unity, which displays the invincible might in revolution and construction, because such a unity is ideologically based upon the great chuche idea.

The great leader [yongdoja] Comrade Kim Chong-il has pointed out: Because our party struggled while regarding the chuche idea as the guiding principle in the previous period, it was able to achieve unity and cohesion as one, centered around the great leader [suryongnim], and to achieve great victory in revolution and construction.

Originally, a genuine unity is premised on the consensus of ideological will among members of a group. A unity that is achieved by a sense of duty or for practical purposes—not

an ideological unity—cannot last long, nor can it overcome the rigorous hardship of the revolution.

If the popular masses are to achieve a firm unity of ideological will on the basis of one ideology, there should be a great idea. This is because the greatness of ideology, which serves as a banner of unity, determines the solidity and invincibility of the unity and cohesion of ideological will of the popular masses.

Today, completely due to the immortal chuche idea created by the respected and beloved leader Comrade Kim Il-song, our people have been able to achieve the single-hearted unity in which they are firmly rallied, with the ideological will, around the great leader [yongdoja].

The chuche idea is the only guiding idea for our revolution, and it is a revolutionary idea which most clearly elucidates the popular masses' aspirations and demands for independence, and the ways for the realization of such aspirations and demands.

Due to the chuche idea, a great banner of unity, our people have been able to become dignified people, have achieved the invincible single-hearted unity in which all people are firmly rallied, with one ideological will, around the party and the leader [suryong] for the first time in history.

The chuche idea serves, above all, as the ideological foundation that helps all people uphold the center of unity and helps them unite around it with ideological will.

The great chuche idea has elucidated the ideology and theory on a revolutionary view of the leader [suryong] on a whole scale for the first time in history, thereby providing a mighty ideological foundation on which the popular masses can achieve a firm unity centered around the leader [suryong].

The revolutionary view of the leader [suryong] is the ideology and theory that constitutes the essence of the chuche idea. The revolutionary view of the leader [suryong] elucidates that the leader [suryong] occupies an absolute position and plays a decisive role in the working class' revolutionary struggle; at the same time, it provides a precious truth that when the popular masses uphold the leader [suryong] and firmly unite around the leader [suryong], they can brilliantly pioneer their destiny. Just because of this, if any of the people grasps the chuche idea, he will totally entrust his destiny to the leader [suryong] and will firmly unite around the leader [suryong] without the slightest selfishness [chagumahan sasimdo opsi].

Today, our people are firmly united around the great leader [yongdoja] Comrade Kim Chong-il. Our people's firm creed, which they have kept deep in their heart along the protracted road along which they have struggled under the banner of chuche idea, is that only when the great leader [yongdoja] Comrade Kim Chong-il exists can our revolution have victory and can the people's genuine life and happiness be brought into bloom.

A purely clean sense of loyalty to the leader [suryong] and the revolutionary view of the leader [suryong] underlie the noble spirit of our people, who are resolved to better uphold the great leader [yongdoja] Comrade Kim Chong-il, whether awake or asleep, and to defend him in a death-defying manner by becoming his rifle and bombs. Due to this, our single-hearted unity is giving forth its ray as a crystallization of the noblest single-hearted loyalty which is unprecedented in terms of the firmness of the center of such a unity and of the intensity of the loyalty of the people who are upholding the center of the unity.

The great chuche idea is also the only ideological foundation that helps imbue the party and the ranks of revolution with one ideology.

If all members of society are to be imbued with one ideology, a superior ideology should exist. The great chuche idea is an independent ideology, which most correctly reflects the aspirations and demands of the people who carry out revolution in our era, and a scientific and revolutionary ideology, which most clearly illuminates the road to progress and prosperity for the popular masses. Therefore, anybody who aspires to independence is bound to sympathize with the chuche idea and accept it as his own ideology.

Today, all of our people think and act only in conformity with the demands of the chuche idea, while regarding the chuche idea created by the great leader [suryongnim] as their faith.

Our people's consistent faith and their unflinching will are that our chuche idea is the best, and that our party's lines and policies, which embody the chuche idea, are the most just and aboveboard. Due to this, no alien ideology and mode of life, which the imperialists and reactionaries are spreading, can ever permeate through the ranks of our revolution [kuotton isaekchokin sasanggwa saenghwal pungjodo choltaero sumyodulsu opssumyo]; and the only ideology, only the chuche idea, is throbbing in the entire society.

No force in the world can block the progress of our party and revolution through which all people have achieved the invincible single-hearted unity based upon one ideology, the chuche idea, that is centered around the great leader [yongdoja].

Today, our people's single-hearted unity based upon the chuche idea is being more strenuously consolidated under the great leader [yongdoja] Comrade Kim Chong-il's wise leadership.

Because the great leader [yongdoja] Comrade Kim Chong-il, who has put forth the revolutionary slogan "Let us more thoroughly arm ourselves with the revolutionary ideology of the great leader Comrade Kim Il-song" and is energetically leading the struggle for its accomplishment, is standing at the head, our party's chuche idea is being more thoroughly embodied in all

fields of social life, including politics, economy, and culture; and the tradition of the single-hearted unity based upon the chuche idea is being firmly kept from generation to generation.

Our people will more firmly consolidate our single-hearted unity based upon the chuche idea, while loyally upholding the great leader [yongdoja] Comrade Kim Chong-il's leadership; and will surely advance the fatherland's reunification and the complete victory of socialism with the might of the single-hearted unity.

South Korea

Minister Warns DPRK Against Breaking Accord

SK1204050495 Seoul YONHAP in English 0457 GMT
12 Apr 95

[FBIS Transcribed Text] Seoul, April 12 (YONHAP)—Vice Foreign Minister Yi See-young Wednesday warned that South Korea would seek "strong countermeasures," including United Nations Security Council sanctions, if North Korea walked away from the nuclear deal it has with the United States.

Speaking at a meeting of the ruling Democratic Liberal Party's International Organizations Committee, Yi said the government would solicit the cooperation of China and Russia in getting UN sanctions. "If they do not cooperate, the government will seek sanctions by South Korea, the United States and Japan," he added.

In case tensions mount on the Korean peninsula as a result of the North's resumption of its nuclear development program which has been frozen by the Geneva accord with the United States, the government will stick to its established policy, taking appropriate measures against the North's "harassment and brinksmanship."

"I think the North can hardly break the Geneva accord because the North Koreans are well aware that implementing the accord will be in their best interests and Kim Chong-il's major achievement as well.

"But in view of the North's brinksmanship, difficulties are lying in the path leading towards full implementation of the accord."

Yi stressed the provision of South Korean model reactors to the North and South Korea's central role in the North's reactor project are the basic policies which cannot be compromised.

If the North continues to reject these policies it will be impossible for the government to obtain the people's support in funding the North's reactor project.

But the vice minister said the Geneva accord has been implemented in a relatively smooth manner up to now.

Insofar as the North continues the freeze on its nuclear development program, the on-going U.S.-North Korea nuclear talks will continue even beyond the April 21

U.S. Government's intent to use the easing of the trade embargo as a bargaining chip with North Korea. Confirming this point, the State Department made it clear on the same day that "any further easing of the trade embargo will depend on how North Korea performs with the nuclear deal and other matters of concern." By "other matters of concern," the U.S. Government means continued U.S. demands to North Korea including an end to terrorism, return of the remains of U.S. servicemen, a halt to ballistic missile export, and human rights improvement.

Prelude to Restoration of Economic Relations

The United States imposed the trade sanctions against North Korea by the Export Control Act immediately after the outbreak of the Korean war in June 1950. Subsequently, by the Adversary Nations Trade Act, the Foreign Aid Act, and the Export Management Act, it not only imposed a freeze on North Korean assets and a total ban on trade and financial transactions with North Korea but also blocked aid to North Korea by international financial institutions. In short, it has maintained a total economic blockade against North Korea.

The announced package came under these circumstances. Whatever specifics it has in it, it is a significant measure, one may say, in that it marks a turning point in U.S.-North Korea economic relations that had been totally shut off for so long, and that it indicates the possibility of restoration.

This is not the first time the United States has eased the sanctions against North Korea. It partially eased the sanctions in noncommercial, humanitarian areas in 1989. The step then, however, carried no significant impact because of the continued, basically hostile relationship between the two countries.

But the latest package is incomparably more comprehensive in substance than the 1989 measure. Furthermore, it was announced at a time when the antagonism between the two countries is easing up for the first time since 1950 and when moves for a new relationship have come into the spotlight. Therefore, in assessing its significance, one may view the announced steps as a possible prelude to the U.S. lifting of the economic blockade itself, rather than as a temporary measure.

Considering what rapprochement with the United States and the resultant restoration of economic ties mean in bringing a socialist country to open up to the outside world, the announced easing of the sanctions will also be of extremely important significance in North Korea's pushing with an open policy, even if it is a partial one.

Further Easing To Come in Stages

The 21 January package is a minimum, first-phase measure, and further easing of the trade embargo will depend on progress in the issue of reopening North-South dialogue and in other areas which the United

States regards as matters of concern. Among such matters are some that North Korea cannot accommodate easily, a fact raising the specter that the process of easing the sanctions will not always be a smooth one.

However, not only as a market for North Korean products and a major investing nation but also for the fact that better economic ties with Western nations are impossible without first improving relations with the United States, the United States—along with the ROK—is a very important existence for North Korea that will determine success or failure of its open policy. For the influence it wields, North Korea strongly desires better relations with the United States and, to that end, has so far been complying with the nuclear accord in good faith. In the future, too, it is expected to endeavor for the restoration of political and economic relations with the United States within the sphere of its system.

Of the demands being made by the United States, it seems that renouncing terrorism and returning the remains of U.S. servicemen are about all that North Korea can meet rather easily. In case there is positive progress in these matters and, at the same time, if North-South dialogue is resumed in one form or another, and if the nuclear agreement continues to be fulfilled in good faith, the lifting of the trade embargo—except for strategic goods—and U.S. investments in North Korea will likely materialize in the not-so-distant future. That is because the Export Management Act, which controls most of these matters, already basically expired and is currently kept in force by a presidential decree. So, lifting the sanctions is possible without congressional approval.

Human Rights Issue Biggest Stumbling Block

A complete unfreezing of North Korean assets, the granting of the most-favored-nation treatment, and the lifting of the ban on aid are subject to congressional approval because they require amendments to the Adversary Nations Trade Act and the Foreign Aid Act. So, they seem to be possible only after there has been further progress in U.S.-North Korea relations. And progresses to certain degrees would be required in North Korea's meeting U.S. demands in the missile export and human rights issues. The missile export issue is linked to military operations, the most sensitive question on the Korean peninsula, while the human rights issue is directly connected with the matter of survival for the North Korean leadership. Considering these points, it is unlikely that North Korea will readily meet U.S. expectations on them. Especially, the human rights issue is likely to emerge as the biggest stumbling block in the way of rapprochement between the two countries. Consequently, the complete easing of the economic sanctions will perhaps take a considerably long time.

Pyongyang's Open Policy To Greatly Affect Time of Lifting

Meanwhile, the force of political issues defining economic relationships has markedly weakened since the

end of the Cold War. And, with tension partially removed between the United States and North Korea by the signing of the nuclear accord, the possibility cannot be ruled out of such trends of the world economy exerting their effects on their bilateral economic relations.

In this respect, let's take a brief look at Vietnam's case. In December 1992, the United States partially eased the economic sanctions against Vietnam by authorizing humanitarian-purpose loans and aid, commercial contracts between U.S. firms and Vietnamese entities, and the opening of a Vietnamese liaison office in Washington. And a year later, in January 1994, it completely lifted the Vietnam sanctions. While the positive attitude of the Vietnamese Government in the MIA and other issues was clearly a major factor influencing the U.S. decision, demands of the U.S. economy itself were also a factor, according to observers. In other words, the United States found the trade embargo seriously losing its effectiveness as advanced Western nations and Asian countries stepped up their efforts to make inroads into Vietnamese markets, taking advantage of Vietnam's reform and open policies and the ceasing of hostile relations between the United States and Vietnam. In addition, U.S. firms, finding themselves handicapped by the trade embargo, strongly demanded its lifting. Under these circumstances, the total lifting of the sanctions was apparently a matter of time.

The announced easing of the North Korea sanctions—even if it is a partial one—will also work as a force to lessen political risks of North Korea investment one way or another. Therefore, there is no doubt that it will have a positive impact on moves of businesses in Western nations for investment in North Korea, the Najin-Sonbong district in particular. Under these circumstances, as in the case of Vietnam, it would be difficult for the U.S. Government to continue the economic sanctions against North Korea indefinitely in disregard of U.S. business demands.

An application of the example of Vietnam to North Korea's case calls for a precondition though, which is that for such an optimistic scenario to become reality as it did in Vietnam's case, North Korea is required to pursue an open policy more positively. The reason is that unless there are assurances about Western businesses setting up operations in North Korea, the United States will be seeking greater political concessions before lifting the economic sanctions, and that consequently, the complete lifting will inevitably be delayed that much more.

DPRK-U.S. Telephone Line Presents Dilemma

*SK1204093295 Seoul YONHAP in English 0853 GMT
12 Apr 95*

[By Kim Tae-yong]

[FBIS Transcribed Text] Seoul, April 12 (YONHAP)—The opening of North Korea-U.S. international telephone link has put the South Korean Government into

an awkward situation because the so called "call back service" enables people in South Korea to directly telephone North Korea, telecommunications sources here said on Wednesday.

Although laws governing inter-Korean exchange and cooperation prohibit unauthorized direct calls from South Korea to the North, people here can call North Korea any time through the service without the government's knowledge, according to the sources.

The only problem for them is that they do not know the numbers in Pyongyang and that few households in North Korea have telephones at home.

The call back service is provided by United States communications companies, which lease U.S. international telephone lines from AT&T or other telephone companies and sell the line service to people in other countries.

If a South Korean subscribes to one of those services, he can call the service provider's telephone exchanger in the United States. He should hang up the phone after hearing the dial tone, and then the exchanger automatically calls him back in South Korea.

When he picks up the phone, he can dial the numbers of North Korea as if he is calling North Korea from the United States.

Those telephone line resale companies began advancing into South Korea in 1992. Viatel was the first, followed by USA Link in 1993, Bright Telecom, CBM Asia, Telegroup Korea, Global Access, MTC and Star Telecom all followed in 1994.

The number of subscribers to the services is not known since the resale companies do not disclose it.

Even Korea Telecom, South Korea's main telephone service provider, cannot grasp the number of subscribers or know who called North Korea unless the call back service providers reveal those facts.

The service providers provide cheaper service for South Korean subscribers than Korea Telecom or Dacom, but the South Korean Government is not actively prohibiting the service due to U.S. demands for the telecommunications market opening.

According to the South Korean law, if a South Korean directly telephones North Korea, he or she could be sentenced up to three years imprisonment or a fine of up to 10 million won.

Pak Chang-won, chief of the International Cooperation Department of the Information and Communication Ministry, said, "We are discussing with the Foreign Ministry ways to ask the U.S. Government to block the service between South and North Korea, because the service is illegal here in South Korea."

Ways To Control Contacts Viewed*SK1204065395 Seoul YONHAP in English 0641 GMT
12 Apr 95*

[FBIS Transcribed Text] Seoul, April 12 (YONHAP)—With the telephone link now opened between the United States and North Korea, the government is studying ways to control citizens' telephone contacts with North Koreans by way of the United States.

As a first step, the administration plans to publicize through the foreign and information ministries that it is a law violation for a South Korean to have a telephone conversation with a North Korean even while traveling in the United States.

The official stance is that any South Korean national is required by law to obtain an official permit to telephone North Koreans, and that under an emergency a person may do so without prior approval but must notify the authorities later that contact has been made.

Referring to telephone conversations South Korean correspondents, stationed in the United States, had with North Koreans Monday [10 April], a government official said Wednesday, "They also require prior government approval or follow-up notification. We plan to have the correspondents informed of this legal requirement through the Information Ministry."

Another official said, "For now, no study is being made to revise the relevant laws, including the inter-Korean exchange and cooperation law, in a bid to check telephone contacts with North Koreans by way of the United States."

"A telephone conversation with a North Korean is also considered contact with a North Korean resident, as provided for in the law," the official added. "Therefore, if one intends to have a telephone conversation with a North Korean, he must first obtain government approval."

Direct ROK-DPRK Calls Illegal*SK1204033095 Seoul YONHAP in English 0306 GMT
12 Apr 95*

[FBIS Transcribed Text] Seoul, April 12 (YONHAP)—It is technically possible for South Koreans to make telephone calls to North Korea through foreign telephone companies which have direct communications lines to the North, but in reality laws hold them from calling North Koreans, according to a Korea Telecom spokesman Wednesday.

He was responding to questions concerning whether or not South Koreans could use the direct phone services to North Korea established recently by the American firm AT&T.

"Therefore, Korea Telecom or any other communications firms in South Korea have yet to develop any

software able to provide that kind of service, although that service is technically possible," said the official.

An AT&T Korea spokesman also confirmed that his company has yet to receive any instructions from AT&T's headquarters in the United States to open service linking South Korea and North Korea via America.

UNDP Chief in Pyongyang Interviewed by Phone*SK1204034495 Seoul HANGUK ILBO in Korean
12 Apr 95 p 3*

[By correspondent Cho Chae-yong from New York]

[FBIS Translated Text] After an hour-long try on the telephone, I finally reached Paruk Asikjad [name as transliterated], chief of the Pyongyang office of the United Nations Development Program [UNDP], at his office and his wife at their home at 2320 (New York time) on 10 April [0320 GMT on 11 April]. The following are telephone conversations with Asikjad and his wife. Conversation with Asikjad [subhead]

[Cho] I am a New York-based correspondent for HANGUK ILBO. I am calling from New York using direct distance dialing between North Korea and the United States.

[Asikjad] It is nice to talk to you.

[Cho] How do you feel about the opening of direct telephone lines?

[Asikjad] I am glad. I feel the world is one, and now includes North Korea.

[Cho] Do North Koreans know about the opening of direct telephone lines between North Korea and the United States?

[Asikjad] A few people know. The general public does not seem aware of the fact.

[Cho] What was the reaction of North Korean officials when they learned about the opening of the telephone lines?

[Asikjad] They were also glad. They asked why North Korea had been excluded from the international direct dialing system.

[Cho] How are North Korean officials doing with UN projects?

[Asikjad] They are very cooperative. I have meetings with North Korean officials on UNDP projects almost every day. My counterpart in North Korea is Vice Foreign Minister Choe Su-wan. Actually, I am in a meeting with him, but left the meeting to answer the telephone from an ROK correspondent.

[Cho] Please let me talk to one of the North Korean officials.

[Asikjad] As a UN employee, I cannot do that. Conversation with Mrs. Asikjad [subhead]

[Cho] Is this your first time on a direct line with New York?

[Mrs. Asikjad] I have been able to call anywhere in the United States through the United Nation's private satellite line. However, I am very happy that direct telephone calls are now possible. My son lives in New York, and now I can call him direct.

[Cho] Did you receive any other calls through the direct line between North Korea and the United States?

[Mrs. Asikjad] I did not know the lines were open until you called. I am talking to you before talking to the BBC or CNN.

[Cho] How is the weather there?

[Mrs. Asikjad] Sunny. The weather has been very fine lately.

N-S Trade Via East Coast Increases 'Sharply'

SK1004015195 Seoul YONHAP in English 0133 GMT 10 Apr 95

[FBIS Transcribed Text] Seoul, April 10 (YONHAP)—The inter-Korean trade through the country's east coast has sharply increased this year with massive shipments of North Korean zinc, copper, sand and iron materials to South Korea.

Shipping industry sources said Monday the South-North Korean trade volume via the east sea is three times larger this year than the existing west coast route, mostly linking the ports of Inchon and Nampo, and the trend is expected to continue in the future.

The North Korean shipments are mostly raw materials which are loaded at the ports of Najin, Chongjin, Hungnam and Wonsan, each shipment's volume hovering between 4,000-6,000 tons.

Samson Shipping Co. was operating its Inchon-Nampo sea route three times a month last year with irregular transportation of its east coast route connecting Pusan with the North Korean ports one or two times per month. But this year, its sea transportation along the east coast is 10 times that of last year.

Hansong Shipping Co. also increased trade volume on its east coast route by two or three times during the last year, a company spokesman said.

Inter-Korean trade through the east sea is expected to increase further as some 100,000 tons of wood chips produced in Yanji, China, the raw material used to make wood pulp, are expected to be loaded at North Korea's Chongjin port for export to South Korea.

The Ssangyong business group also plans to use the east coast route to ship construction materials to North

Korea for use in the building of a 20-story convention center in Najin, North Korea.

DPRK Reportedly Builds ROK-Only Complexes

SK1004045895 Seoul SEOUL SINMUN in Korean 10 Apr 95 p 3

[Report by Ku Pon-yong]

[FBIS Translated Text] It has been learned that North Korea has prepared sites for industrial complexes for ROK use only in the six industrial towns under construction in the Najin-Sonbong free trade zone and is trying to induce ROK companies to operate there.

According to the National Unification Board [NUB] and business circles on 9 April, North Korea is also planning to build an international zoo and a tourist base on the 21 islets in the Najin-Sonbong free trade zone area.

The North Korean move, greatly different from its official position of avoiding economic cooperation between the South and North Korean authorities, is analyzed to be aimed at breaking through North Korea's current economic difficulties by creating competition among our companies to advance into the free trade zone.

A businessman said on 9 April: "I understand that North Korea is trying to contact ROK companies to develop an abundant source of spring water in Mt. Chilbo, one of the four most famous mountains in North Korea, and build a hotel that can accommodate 5,000 people in this area in cooperation with them."

Regarding this, an NUB official stated: "Although they officially refuse economic cooperation with the South, the North Korean authorities are well aware that Western enterprises are not likely to invest in North Korea before ROK companies' advance into North Korea." The official added: "Accordingly, it seems that North Korea has prepared the ROK industrial complexes to induce investment by overseas enterprises by illicitly dragging ROK companies into North Korea."

Taejonggyo Leaders' Visit to DPRK Reviewed

SK1204055995

[FBIS Editorial Report] The following is a compilation of three articles carried in 12 April Seoul vernacular dailies which review the recent visit to North Korea by leaders of Taejonggyo (a religion worshipping the nation's legendary founder, Tangun), including among them Mr. An Ho-sang, former professor of philosophy at Seoul National University and the ROK's first minister of education.

The conservative CHOSON ILBO carries on page 2 a 600-word article written by reporter Ku Song-chae that expresses concern about their visit to North Korea, saying a great stir will presumably be created because

they have visited North Korea in disregard of the government's relevant policy, and because South-North relations are now in a delicate situation due to the question of light-water reactors. The article notes: "No matter what pure purpose they had in visiting the North, it appears clear such a visit will serve as good material for North Korea's propaganda. In particular, the fact that they pushed for such a visit in disregard of the ROK Government's dissuasion may serve as a factor that amplifies North Korea's propaganda effect."

While reviewing anti-ROK offensives launched by the Central Guidance Committee of North Korea's Chondoists Association to instigate the abolition of the National Security Law and the overthrow of the South Korean Government, the article interprets a series of North Korean activities as part of its tactic of trying "to achieve South-North solidarity to the exclusion of South Korean Government authorities."

The article worries that similar cases might take place in the future, noting the present circumstances in which it is difficult for the government to carry out a strong, legal procedure against Mr. An in consideration of his age (93) and status as a religionist.

The moderate HANGUK ILBO carries on page 5 an 800-word article written by reporter Yu Sung-u that reviews the awkward situation facing the ROK Government, as well as North Korea's efforts to invite ROK figures to a grand national festival it is organizing to mark the anniversary of national liberation. The article quotes government officials as expressing their concern that no matter how pure Taejonggyo's intention was, North Korea will surely use such a visit for political purposes. The article concludes by reviewing the various kinds of legal punishment the Taejonggyo leaders may receive.

The moderate KYONGHYANG SINMUN carries on page 4 a 500-word article written by reporter Kwon Sok-chon that reviews the difficulties facing the ROK Government in working out a relevant national unification policy in consideration of the possibility that, with the Taejonggyo leaders' secret visit to North Korea as momentum, officials from various ROK religious organizations may follow suit. The article notes: "Under such circumstances, the government is worried that chaos might arise in the government's national unification policy, and that North Korea's strategy of trying to push for exchanges between civilians in the South and North to the exclusion of our government will take effect in the long run."

In conclusion, the article notes the government's inconclusive attitude toward the Taejonggyo leaders' recent visit to the North, while reviewing the dilemma the government is now in; that is, the government is presently shelving its decision to allow religious leaders, including Catholic Cardinal Kim, to visit the North because of the nuclear issue, although the government has made public its stance that it will actively push for South-North exchanges, mainly between religionists.

'Abusive,' 'Mounting U.S. Trade Pressures' Noted
SK1204071495 Seoul SEOUL SINMUN in Korean
12 Apr 95 p 3

[Editorial: "Offensive Measures for U.S. Trade Pressure"]

[FBIS Translated Text] The need for more active counter-measures to counter mounting U.S. trade pressures, which have become all the more abusive on all trade issues, large and small, has become more apparent. Although our government recently made the great concession of introducing the clearance-first and testing-later system for imported agricultural products, the United States filed a lawsuit with the World Trade Organization [WTO] over the ROK's imports of U.S. citrus fruit, and is now intensifying its attempt to dominate our rice, meat, and marine products markets. In addition, the United States assumed a threatening attitude by releasing the "Final Guidelines for International Practice in the Anti-Monopoly and Oligopoly Law," displaying a threatening attitude by indicating it will provoke domestic law in international dealings that contradict U.S. interests.

Regarding these U.S. moves, the government held an emergency meeting of trade-related ministers on 10 April. In the meeting, the government reportedly decided: It is unavoidable to follow WTO procedures to resolve the pending citrus import issue since the United States has brought a lawsuit before the international organization over the issue. However, in a bid to earn enough time for negotiations, the government will see to it that a common method for settling normal disputes will be applied to resolve this issue.

The United States is putting violence-like [hoengpoe kakkaun] trade pressure on us, based on its own yardstick and the logic of force. This is an act of economic hegemonism that not only damages the U.S. appearance as a superpower, but also invokes strong opposition from other countries.

I would like to urge the government and business sectors to take more offensive countermeasures against the U.S. trade pressure, breaking away from the passive and defensive attitude they have assumed so far. The government should thoroughly investigate the unfair trade style of United States and other countries that impose unreasonable pressure on us, as well as develop scientifically armed and perfect countermeasures in each field so our trade partners cannot pick offhand quarrels with us. In order to remove inefficiency in policy making caused by the sharing of trade business between relevant government offices, the government will also have to consider establishing a trade organization endowed with integrating and coordinating functions.

Complicated export and import procedures and improper trade styles must be changed according to WTO standards as soon as possible so as to remove the cause of the trouble, such as unnecessary disputes and

pressure. I emphasize again that, with the years-long trade deficit with the United States, we must not continuously be defensive toward unreasonable U.S. pressure.

Lack of 'Coordination' Blamed for U.S. Friction

SK1204025295 Seoul YONHAP in English 0222 GMT
12 Apr 95

[FBIS Transcribed Text] Seoul, April 12 (YONHAP)—The lack of policy coordination among cabinet ministries of the government is one of the major causes for trade friction with the United States, according to the Office of the Prime Minister.

In a report on major trade policy tasks for 1994, the Office of Administrative Coordination in the prime minister's office pointed out the lack of coordination among the finance and economy ministry, as the trade policy coordinator, and other economic ministries and the Foreign Ministry has led to the country's failure to effectively cope with U.S. trade pressure.

Preparing sectoral market-opening talks on automobiles, farm products and other items, some ministries did not fully coordinate their policies with related agencies when writing position papers that were to be delivered to U.S. delegations, reflecting in different views between ministries at the negotiation table and inviting U.S. distrust in the government's trade policy.

They also failed to fully consult with experts on international trade and to exchange the most up-to-date trade information with their related industries, the report said.

The finance and economy ministry is responsible for the inter-ministerial coordination of important trade issues and working-level inter-ministerial meetings are instruments to coordinate less important issues, but the coordination has not been effective, particularly when forming delegations that will be sent to international trade talks and when preparing negotiation strategies.

The report stressed the need for close and full inter-ministerial policy coordination when preparing for trade negotiations with foreign countries.

It also said the government should improve its expertise regarding international trade talks by maintaining close consultations and constant information exchanges with related market research institutes and industries.

U.S. Agricultural Imports Show 'Sharp Increase'

SK1204005595 Seoul THE KOREA HERALD in
English 12 Apr 95 p 8

[FBIS Transcribed Text] Imports of farming and livestock products from the United States are on a sharp increase this year as Washington is staging aggressive promotional activities for its products in Korea.

Besides growing U.S. pressure to buy its products, a poor harvest of agricultural goods in China and Canada last year is also attributable to a rise in U.S. farming exports to Korea this year.

Grain imports from the United States stood at \$270 million in the first two months of the year, accounting for 83.9 percent of the nation's total grain imports during the cited time, according to a data made available at the Korea Foreign Trade Association (KFTA) yesterday.

Korea bought \$751 million worth of grain from the United States last year, taking a 39.6 percent share of the Korean grain market.

The comparable figures were 76.3 percent in 1990 and 43.9 percent in 1992.

Korea had been heavily dependent on the United States for the imports of farming products for decades until 1990 with the United States taking an average 80 percent market share of the Korean farming market.

The big U.S. market share has been eaten away since the early 1990s, especially with the establishment of a full diplomatic relation between Korea and China in 1992 and a rise in imports from Canada under the nation's import diversification efforts.

The share of U.S. meat imports in the Korean market also grew to 55 percent in the first two months of the year from 49.4 percent last year. Korea imported \$294 million worth of U.S. meat and meat products.

"The surge in U.S. farm imports this year is mainly attributed to a sharp decline in grain imports from China, Canada and Australia, especially corn, wheat and soy beans," said an official at the KFTA.

The portion of U.S. corn in the Korean market stood at 26.8 percent last year, which surged to 94.6 percent in the January-February period of this year.

China, which grabbed a Korean corn import market share of 69.8 percent last year, had to import foreign corn this year because of its poor crop last year.

Cold weather and drought in Canada and Australia last year has helped the United States upgrade its export portion of wheat to Korea to 63 percent this year from 34.5 percent last year.

The share of Canadian-grown wheat in the Korean market, however, dwindled from 42.4 percent last year to 12 percent this year.

Apparently helped by Washington's growing pressure to open the Korean meat market, Korea's beef import share from the United States increased from 58 percent last year to 60.7 percent in the first two months of the year.

SRV Communist Party's Do Muoi Pays Visit

Meets With Ruling Party Chairman

SK1104121895 Seoul YONHAP in English 1205 GMT
11 Apr 95

[FBIS Transcribed Text] Seoul, April 11 (YONHAP)—Do Muoi, visiting Vietnamese Communist Party general

secretary, met Yi Chun-ku, chairman of the ruling Democratic Liberal Party, Tuesday afternoon to discuss ways to expand friendship and cooperation between their two parties.

During the 40-minute talks at Yi's party office, they also exchanged opinions largely on the Korean question including the issue of a South-North summit meeting.

"I heard South Korea was as poor as Vietnam about 30 years ago, but I am not sure if my country would be better off like today's South Korea 30 years later," Muoi said.

He said he expects South Korea's ruling party would give much help to Vietnam.

Chairman Yi said in response he believes Vietnam will achieve a remarkable development before long given the great potentials of the Vietnamese people who he said have garnered independence through 30 long years of war.

Yi said the South Koreans have the firm conviction that there should be no further fratricidal war. "Like the Vietnamese, we the Korean people suffered much pains in a war between the same people," Yi said.

The Vietnamese leader arrived in Seoul earlier in the day for a week-long official visit at the invitation of the government.

Agrees To Increase Cooperation

*SK1204082895 Seoul YONHAP in English 0751 GMT
12 Apr 95*

[FBIS Transcribed Text] Seoul, April 12 (YONHAP)—President Kim Yong-sam and Vietnamese Communist Party General Secretary Do Muoi agreed to increase South Korean participation in the infrastructure expansion and other Vietnamese economic development programs at a meeting held in Chongwadae [presidential offices] Wednesday morning.

To this end, the two leaders also agreed to expand activities concerning private-level Korea-Vietnam and Vietnam-Korea economic cooperation committees, Senior Presidential Secretary for Foreign and Security Affairs Yu Chong-ha said.

Kim stressed the need for bilateral cooperation in Vietnam's development of national resources, including oil, and Do asked for South Korea's increased support and participation in his country's economic development programs through increased investment.

In particular, the Vietnamese leader requested South Korea provide soft loans to finance construction costs for his country's waterworks and telecommunication networks and to encourage South Korean investment in the steel, shipbuilding, electronics, oil refining, automobile and electric power industries of Vietnam.

Kim said he would discuss the matter with business leaders to provide joint government-business assistance for Vietnam's industrial development.

He also said he would help Vietnam join the Asia-Pacific Economic Cooperation (APEC) forum after 1996, when Do asked for his support in Hanoi's bid to become an APEC member.

Do invited Kim to visit Vietnam in the near future, handing a formal letter of invitation signed by himself and by state President Le Duc Anh, and Kim accepted the invitation, Yu said.

Following the Kim-Do summit, Foreign Minister Kong No-myong and his Vietnamese counterpart signed three bilateral treaties in the presence of the two leaders at Chongwadae.

One of the treaties stipulates that South Korea will provide a 50-million-dollar soft loan to Vietnam, another treaty concerns science and technology cooperation between the two countries and the third treaty regards shipping cooperation, including simplified customs formalities for goods arriving from the other party and the national treatment of ships from one nation calling at the other nation's ports.

Speaking at a luncheon with business leaders at the Shilla Hotel, Do Muoi called for increased South Korean investment, especially increased investment from South Korean small businesses, in his country.

Among the participants at the luncheon were Chairman Choe Chong-hyon of the Federation of Korean Industries, President Kim Sang-ha of the Korea Chamber of Commerce and Industry, Chairman Pak Sang-hui of the Korean Federation of Small Business, Vice President Yi Chun-nim of the Korean Foreign Trade Association, and Chairman Chong Se-yong of the Hyundai group.

Do will visit industrial facilities around the country until he departs for home next Monday.

Discusses Cooperation Measures

*SK1204062495 Seoul YONHAP in English 0618 GMT
12 Apr 95*

[FBIS Transcribed Text] Seoul, April 12 (YONHAP)—President Kim Yong-sam and Vietnamese Communist Party General Secretary Do Muoi discussed ways of increasing economic cooperation between the two countries and the situations on the Korean peninsula and in North Asia at a meeting held in Chongwadae [presidential offices] Wednesday [12 April] morning.

Kim expressed hope for increased participation by South Korean businesses in Vietnam's development of natural resources, including oil.

Do asked for South Korea's increased support and participation in his country's economic development programs through increased investment.

Noting the successful progress of Hanoi's reform program, Kim said South Korea would continue providing assistance for the economic development of Vietnam.

In response, the Vietnamese leader said he wishes President Kim's reform program a success.

President Kim, pointing out the rapid progress of economic cooperation between South Korea and Vietnam in less than three years of rapprochement, said he expects the general secretary's visit will deepen the cooperative relationship between the two countries.

Following the Kim-Do summit, Foreign Minister Kong No-myong and his Vietnamese counterpart signed three bilateral treaties in the presence of the two leaders at Chongwadae.

One of the treaties stipulates that South Korea provide a 50-million-dollar soft loan to Vietnam, another treaty concerns science and technology cooperation between the two countries and the third treaty regards shipping cooperation, including simplified customs formalities for goods arriving from the other party and national treatment of ships of one party calling at the other party's port.

SRV Asks Construction of Nuclear Power Plant

SK1104061395 Seoul CHOSON ILBO in Korean 11 Apr 95 p 1

[By reporters Kang Hyo-sang and Kim Chae-ho]

[FBIS Translated Text] It was learned that the Vietnamese Government asked the ROK Government to build an ROK-type nuclear power plant worth at least \$2 billion in Vietnam, and that the ROK Government and the Korea Electric Power Corporation are positively examining this request. The government has also decided to provide economic cooperation funds to Vietnam worth \$50 million.

A high-ranking government source said: "Currently the government and the Korea Electric Power Corporation are positively examining the issue of building a nuclear power plant with funds and technology supplied by the ROK. If assistance to Vietnam is finalized, the main construction expense will be \$2 billion and if the subsidiary facilities are included, a \$3 billion ROK-type nuclear power plant will be built."

If the Vietnamese nuclear power plant project is achieved, it will be the most expensive overseas economic cooperation fund assistance for the first time in our history since economic cooperation funds amounting to \$1.47 billion were provided to Russia on the occasion of the establishment of diplomatic relations.

The high-ranking source also said: "The problem of this project will be discussed in depth between the two countries when Vietnamese Communist Party General Secretary Du Muoi visits the ROK from 11 April."

It was learned that the expenses of the construction of the nuclear power plant in Vietnam will be in the form of a long-term loan.

A government official said: "Vietnam also requested assistance from the new Economic Development Cooperation Funds (EDCF) and grant-type assistance from the Korea International Cooperation Agency's (KOICA), and our government will positively accept this request." It was revealed that this assistance amounts to \$50 million.

Seoul Decides To Assist SRV's Stock Exchange

SK1104055595 Seoul YONHAP in English 0519 GMT 11 Apr 95

[FBIS Transcribed Text] Seoul, April 11 (YONHAP)—The South Korean Government has decided to positively support Vietnam's plan to open a stock exchange next year.

Sources at the government and the Korean Stock Exchange said Tuesday the Vietnamese Government has recently asked the South Korean Government to assist in the opening of its stock exchange. As an initial step of its support, the Seoul Government has decided to conduct an education program for the Vietnamese officials who are responsible for the launching of the Vietnamese stock exchange, they said.

An official at the Finance and Economy Ministry said that the government has decided to invite to Seoul three founding members selected from the Vietnamese Finance Ministry and central bank for one month starting April 24 in order to conduct basic theory workshops on securities and on-the-spot training.

The government also decided to dispatch some 20 lecturers, selected from the Korean Stock Exchange, securities supervisory board and other related agencies, to Hanoi and Ho Chi Minh City to open a special education course there.

The government is also considering dispatching a stock market advisory mission and assisting the opening of securities lectures at Vietnamese universities.

Firm Discovers Natural Gas Under Sea Near SRV

SK1204080795 Seoul YONHAP in English 0722 GMT 12 Apr 95

[FBIS Transcribed Text] Seoul, April 12 (YONHAP)—A South Korean petroleum company has hit natural gas under the sea off Vietnam.

The Korea Petroleum Development Corp. announced Wednesday that it discovered a natural gas reserve at the Vietnam 11-2 mining zone located some 280 kilometers southeast of Vung Tau.

The company has test produced 43 million cubic feet of gas and 1,365 barrels of condensate a day, the announcement said.

The company has been drilling for oil in seas off Vietnam since May 1992. Previously, it also made a successful discovery of gas in February last year.

The Vietnam 11-2 mining zone is being explored by the petroleum company on behalf of a Korean consortium comprising several major South Korean businesses.

Samsung Announces Plans for Investment in PRC
SK1104074595 Seoul YONHAP in English 0722 GMT 11 Apr 95

[FBIS Transcribed Text] Seoul, April 11 (YONHAP)—Samsung, one of South Korea's largest business groups, plans to invest 4 billion U.S. dollars in China, the group announced Tuesday.

A strategic meeting of the group, presided over by Chairman Yi Kun-hui in Beijing Tuesday, adopted a plan to invest 1.6 billion dollars in the electronics, 300 million dollars in the textiles, 200 million dollars in the chemical and 400 million dollars in distribution and other industrial fields in China by the year 2000, the announcement said.

Yi arrived in Beijing on Monday, along with some 20 other Samsung managers and senior officials, including Kang Chin-ku, chairman of Samsung Electronics Co., and An Chae-hak, chief of the group's overseas business team, to check Samsung's overall investment plan in China.

Yi told the meeting that since China has the largest potential market in the world, Samsung should actively advance into that market, not only to pursue the group's own interests but also to help the Chinese economy develop.

Considering the vast land expanse and social infrastructure of China, Samsung divided the country into three blocs—northern, middle and southern—in order to develop an efficient production and selling strategy, Samsung said.

Samsung plans to advance into the eastern coastal area of China in the first stage and then move into the western inland area.

Samsung will set up business bases in Tianjin City and Jilin Province for the northern bloc, in Sichuan Province and Suzhou City for the middle bloc and in Guangdong Province for the southern bloc.

Kohap Contracts To Export Plant to Indonesia
SK1104005495 Seoul THE KOREA TIMES in English 11 Apr 95 p 8

[FBIS Transcribed Text] Kohap Incorp. has contracted to export a polyester plant worth \$30 million to M.K.I. of Indonesia, a Kohap spokesman said yesterday.

The plant will be constructed by the end of 1996 on a turn-key base and will be capable of producing 87 tons of polyester a day, he said.

First UK Industrial Cooperation Meeting Held
SK1104013195 Seoul THE KOREA HERALD in English 11 Apr 95 p 9

[FBIS Transcribed Text] South Korea and Britain held the first meeting of the Korea-UK Industrial Cooperation Committee in London Monday [10 April] to bolster bilateral industrial ties, the Ministry of Trade, Industry and Energy (MOTIE) said yesterday.

Han Yong-su, director general for bilateral trade affairs of the MOTIE, headed the Korean delegation at the meeting, whereas Martyn Baker, head of exports to Asia, Africa & Australia, Department of Trade & Industry, led the British delegation.

At the meeting, both countries agreed to propel bilateral cooperation in the aviation, environment, biochemicals, medical instruments and neutron technology sectors.

In particular, they related an agreement to create a private-level round table to map out concrete ways of accelerating bilateral cooperation in the aviation, environment and neutron technology fields, a MOTIE spokesman said.

Key officials from Rolls Royce Group and Oxford Instruments are to visit Seoul in the second quarter of the year to hold an explanation session on neutron technology and to seek their Korean partners, the spokesman said.

In the aviation fields, both sides also shared a view that British Airways and Rolls Royce will hold a meeting of experts with their Korean counterparts before early 1996 to push for a joint project to produce mid-size aircraft, helicopters and related parts.

South Korea and Britain also agreed to hold a round table in the latter half of the year to tackle bilateral cooperation in the environment field, the spokesman said.

To activate the strategic tie-ups amount business concerns of the two countries, Korea Academy of Industrial Technology and British Technology Group agreed to push ahead with signing a contract to promote industrial technology cooperation.

At the same time, Korea Institute of Industry and Technology Information agreed with British Library to exchange technology information, the spokesman said.

Morocco Releases Detained Korean Fishermen
SK1204030695 Seoul YONHAP in English 0245 GMT 12 Apr 95

[FBIS Transcribed Text] Seoul, April 12 (YONHAP)—The 24 fishermen captured by the Moroccan Maritime

Police late February in seas off the African state were released Monday [10 April] after the owner of the fishing boat paid 150,000 U.S. dollars in fines for the alleged illegal fishing, a Foreign Ministry spokesman said Wednesday.

The fishermen, eight Koreans and 16 ethnic Koreans from China, however, refuse to get on the Atlantic No. 5 in Dakhla port, demanding the owner of the ship pay wages in arrears for the past five months and that the Moroccan authorities pay compensation for the shooting death of the skipper of the shipping boat, the spokesman said.

"It's not clear at the moment whether the fishermen will return to the country or continue to operate in waters near Las Palmas after the disputes concerning overdue wages and compensation for the dead skipper are resolved," he said.

Won Hits 'Record Low' Against Japanese Yen

*SK0704041995 Seoul YONHAP in English 0357 GMT
7 Apr 95*

[FBIS Transcribed Text] Seoul, April 7 (YONHAP)—The South Korean won plunged to a record low against the Japanese yen Friday when 100 Japanese yen rose to 905 Korean won, according to financial authorities.

The 905.04 Korean won for 100 Japanese yen represents 12.6 percent fall in the value of the Korean currency against the Japanese yen for the past months since last year-end, according to the authorities.

During the 1970s, 100 yen amounted to less than 300 won and, in 1985, the Japanese yen rose to 400 won per 100 yen.

The 500-won mark was broken in 1986, 600-won in 1987, 700-won in 1993 and 900-won today.

The authorities attribute the weakness of South Korean won to the record strength of yen against U.S. dollar.

The U.S. dollar nosedived to another record low of 85.30 yen Friday morning at Tokyo foreign currency market.

Trade With Taiwan Boosted by Strong Yen

*SK1204012495 Seoul THE KOREA TIMES in English
12 Apr 95 p 8*

[FBIS Transcribed Text] With Korea and Taiwan seeking import diversification from Japan due to the continuing steep rise of the yen against the U.S. greenback, bilateral trade between Seoul and Taipei is recovering from the hiatus that followed their severing of diplomatic ties in 1992.

Korea sold Taiwan goods and services worth 507 million dollars in the first two months of this year, up 49.8 percent from the corresponding period last year, according to statistics tallied by the Korea Foreign Trade Association (KFTA) yesterday.

Seoul's imports from Taipei climbed 52.6 percent to 353 million dollars.

In February when the rise in the Japanese currency saw added momentum, Korea's exports to Taiwan jumped a whopping 61.1 percent to 261 million dollars on a year-on-year basis, while its imports recorded a sharp gain of 71.9 percent to 183 million dollars.

Electronic parts, chiefly semiconductors, worth 179.9 million dollars, found their way into Taiwanese markets during the January- February period this year, up 80.4 percent over the same months in 1994.

Transportation equipment including passenger cars rose 284.9 percent to 16.9 million dollars, while organic chemicals like propylene rose 44 percent, registering exports of 73.7 million dollars.

Textile yarn soared 85 percent to 12.6 million dollars and textile materials jumped 158.5 percent to 1.4 million dollars, according to the KFTA.

In the import area, Seoul bought 45.1 million dollars worth of industrial electronic goods, including computer mother boards, up 87.9 percent. Electronic parts worth 94.2 million dollars were bought from Taiwan, recording a 61.7 percent increase.

Imports of textile yarn jumped 112.3 percent to 68.3 million dollars, while textiles rose 96.2 percent to 11.5 million dollars and organic chemicals climbed 73.6 percent to 21.8 million dollars.

KFTA officials said that the sharp expansion of Seoul-Taipei trade is due to their avoidance of Japanese products made more expensive by the continued strengthening of the yen in the international money market.

World Trade Report: ROK 13th Largest Exporter

*SK1004012695 Seoul YONHAP in English 0115 GMT
10 Apr 95*

[FBIS Transcribed Text] Seoul, April 10 (YONHAP)—The world witnessed the largest increase in the trade volume rate in 20 years last year, boosted by a worldwide economic recovery, according to the Foreign Ministry Monday.

Quoting the annual world trade report produced by the World Trade Organization (WTO), the ministry said that the world's trade volume increased 9 percent last year over the previous year mainly because of a boost in Asian, European, South and North American trading.

The rate at which the trade volume increased reached 15 percent in Asia with South Korea, Japan, China, Singapore and Thailand leading the export and import increases in the region, according to the report.

The report expected the rate of worldwide trade increases to reach approximately 8 percent this year.

South Korea was the world's 13th largest exporter last year with 96.3 billion dollars in exports, and the 12th largest importer with 102.3 billion dollars in imports, according to the report.

Government Appoints International Trade Ambassador

SK1004065195 Seoul YONHAP in English 0542 GMT 10 Apr 95

[FBIS Transcribed Text] Seoul, April 10 (YONHAP)—Former Ambassador to Italy Yi ki-chu Monday was appointed ambassador for International Economic and Trade Affairs, according to the Ministry of Foreign Affairs.

Yi, who also served as director general of the international economic affairs bureau and assistant foreign minister for economic affairs, will represent the country in a variety of international meetings on trade and economic affairs while serving as a special advisor to government agencies on economic and trade diplomacy, according to ministry officials.

The ministry expects Yi to play a role in the rapidly changing international trade environment in which the World Trade Organization (WTO) and such regional economic bodies as Asia Pacific Economic Cooperation (APEC), European Union (EU) and North America Free Trade Agreement (NAFTA) were launched, according to the officials.

Firms Push Plans To Build Chip Plants Abroad

SK0904020895 Seoul THE KOREA HERALD in English 9 Apr 95 p 8

[FBIS Transcribed Text] Korea's two semiconductor chip makers—Samsung Electronics and Hyundai Electronics Industries—have aggressively pushed plans to build chip assembling plants in foreign countries, company officials said yesterday.

Samsung Electronics is in the process of selecting the site for accommodating a chip-assembling plant in the United States, a company spokesman said.

Samsung Electronics executives have mentioned a plan to make an investment of \$1.5 billion into the planned plant, scheduled to be put into operation in 1998.

In a related development, the municipal government of Colorado Springs, Colo., has sent to Samsung Electronics a letter expressing its desire for accommodate the plant and explaining a variety of investment incentives, an industry source said.

"Colorado Springs is one of the site candidates now under consideration and details about the selection will likely come out in July or August," the spokesman said.

Samsung Electronics has a semiconductor assembling plant in Portugal, the first such factory set up abroad. The joint venture between Samsung Electronics and

Texas Instrument of the United States is churning out dynamic random access memory (DRAM) chips with wafers fabricated in Korea.

Samsung Electronics has produced 12 million of 4-megabit and 3 million of 16-megabit DRAMs monthly in Korea.

Meanwhile, Hyundai Electronics Industries is studying a plan to undertake its overseas semiconductor production, company officials said.

Hyundai Electronics Industries is contemplating the construction of the planned overseas production base, which it estimates will cost \$1 billion to \$1.5 billion, but details have yet to be made, including whether the projected plant would be located in the United States, Asia or Europe, they said.

Sale of Foreign Cars Rises Due to Marketing

SK1204012295 Seoul THE KOREA TIMES in English 12 Apr 95 p 8

[FBIS Transcribed Text] A growing number of luxury foreign cars have been sold as a result of aggressive sales promotion by foreign automakers.

Foreign cars sold during the first three months of this year numbered 1,433, 2.48 times the figure recorded a year earlier, according to the Korea Automobile Importers and Distributors Association.

One out of 10 large cars sold here is foreign-made, said an official for Woosung Department Store Co., general agents for Chrysler Corp.

Hansung Motor Co., sales agent for Mercedes-Benz, sold 318 units in the January-March period, compared to 67 during the cited period last year.

Shinhan Motor Co., which sold only four Saabs of Sweden last year, sold 99 this year, Kia Motors Corp. increased sales of the Ford Mercury Sable from 165 to 238, Woosung increased sales of Chrysler cars from 111 to 213 and Hanjin Engineering and Construction sold 160 Volvos, up from 53 a year earlier.

Kolon International Corp. sold 127 BMWs, Dongbu Industrial 74 Peugeots, Hyosung Corp. 102 Audis and Volkswagen and Inchcape 85 cars of other brands.

In particular, foreign cars priced at 100 million won or more sold which were during the first three months of this year numbered 123, almost five times the 26 units sold a year earlier. Furthermore, seven S600 Ls of Mercedes-Benz priced at 198 million won were sold.

Three domestic carmakers sold 17,819 cars with an engine capacity of 2,000 cc or more in the January-March period.

An association official said that the sales of foreign cars will continue to increase further due to favorable market

conditions, such as reduction of tariffs and acquisition taxes, as well as strengthened sales promotion.

Kolon International Corp. plans to conduct tests of BMW cars prior to shipping them to buyers and to rent cars without charge to those whose cars are undergoing maintenance for extended periods as part of its sales promotion.

Kolon launched a 20-month installment sales system without interest on medium-sized 520i and 525i sedans early this month.

The company plans to supply engine oil, brake discs, pads and other disposable parts to clients who bought their BMWs from this month for two years or until they clock up 40,000 kilometers. When clients replace their BMW cars after four years, they will be guaranteed returns of 50 percent on the prices of their aged cars.

Hansung Motor plans to expand its sales network in the provinces to meet growing demand. The company will have one agent or more in each province and open sales shops in the provinces where agents have already been set up.

Hansung will run commercials on television rather than resorting to direct mail or printed advertisements.

General Motors Korea will import cars from Germany's Opel, which has a technical tie-up with GM. On the occasion of the Seoul Motor Show slated for May, the company will present coupe-type cars, the Cadillac STS and multi-purpose minivans to Korean clients.

Woosung has doubled its advertising budget to 3 billion won this year under its program to sell Chrysler passenger cars as well as jeep-type vehicles.

Mayor Reveals Development Plans for Incheon City

*SK1204011695 Seoul THE KOREA TIMES in English
12 Apr 95 p 3*

[FBIS Transcribed Text] INCHON—Inchon, the nation's second largest port city, 40 kilometers west of Seoul, will be developed into an international trade city beginning with the new world-class airport off Yongjong Island and the construction of new town in Song Island, Mayor Yi Yong-nae said yesterday.

The mayor told President Kim Yong-sam that on the occasion of the first year of "seggyehwa," or globalization, the city will be transformed into a hub of Northeast Asian economy as "sea, air and tele port," by 2006.

Briefing the president on the city administration's police programs, Mayor Yi said that the construction of the Song Island new town will be completed at the total cost of 1.74 trillion won.

The new town is being built off Song Island and will function as a "teleport," connecting to Yongjong-do airport through an undersea tunnel, he said.

The new trade city will have "business park," "media park," and "convention park," he told the president.

The city administration will also expand the port facilities to reduce the backlog of cargo. A port in the north of the city will be built by 1999.

He also said that an international sea terminal to accommodate a total of 200,000 passengers a year will be built with funding from private businesses.

Travel Permits for Cuba, Cambodia Abolished Soon

*SK1204064195 Seoul YONHAP in English 0626 GMT
12 Apr 95*

[FBIS Transcribed Text] Seoul, April 12 (YONHAP)—The Ministry of Foreign Affairs will soon abolish regulations which require people to obtain travel permits from the government before traveling to Cuba, Laos or Cambodia, a Foreign Ministry official said Wednesday [12 April].

People who want to travel to those three countries will instead need to "report" their trip to the authorities in advance, according to the official.

"Officials at the Ministries of Foreign Affairs and Justice and the Agency for National Security Planning recently got together to abolish the regulations on restrictions imposed on travel to Cuba, Laos and Cambodia," said the official.

It will take a few months for the approval system to be replaced by a report system, said the official.

He added that the government decided to maintain the report system for the three countries in an effort to make security checks on those traveling to the countries with which Seoul has no diplomatic relations.

With the lifting of the travel approval system for the three states, North Korea remains the sole country which the South Korean Government designates as a country requiring government approval to travel there.

Kim Tae-chung Supports Cho Sun for Seoul Mayor

*SK1104012995 Seoul YONHAP in English 0049 GMT
11 Apr 95*

[FBIS Transcribed Text] Seoul, April 11 (YONHAP)—Kim Tae-chung, chairman of the Peace Foundation for Asia-Pacific Region, has explicitly supported former Deputy Prime Minister Cho Sun as the main opposition Democratic Party's (DP) candidate for the Seoul mayoral post in the upcoming local elections, a confidant of the former opposition leader said Tuesday [11 April].

Kim made the remarks to DP Vice President Cho Se-hyong Sunday when the latter called on him at his Tonggyo-tong residence in western Seoul, the source said.

He quoted Kim as telling Cho, "It is a dominant opinion inside and outside the Democratic Party that the party, if it should win in the forthcoming Seoul mayoral election, must recruit an outsider."

Cho Se-hyong is one of the DP's potential candidates for the Seoul mayoral post.

Kim met Cho Sun in person in March, according to the source.

"The recruitment of Cho has not been arranged by the Tonggyo-tong faction alone," the source explained. "A certain party figure has contacted Cho and reported the outcome of each contact to both Kim Tae-chung and party President Yi Ki-taek from time to time. Accordingly, Cho's recruitment is being realized through the blessing of the two leaders."

The main opposition party is scheduled to select its candidate for the Seoul mayoral post through an open party vote on May 3 at a gymnasium in eastern Seoul.

Former Premier: 'No Intention' To Run for Mayor

SK1104023395 Seoul YONHAP in English 0144 GMT
11 Apr 95

[FBIS Transcribed Text] Seoul, April 11 (YONHAP)—Former Prime Minister Yi Hoe-chang, who the ruling Democratic Liberal Party reportedly plans to recruit as its candidate for the Seoul mayoral post, said Tuesday, "As I've already made clear, I have no intention whatsoever to run for the Seoul mayoral post."

In a telephone interview, Yi told YONHAP, "There is no change in my mind, I won't seek candidacy for the mayoral post of Seoul, not on either the ruling or opposition parties' tickets or as an independent candidate."

Asked if he has been contacted by the government party on that matter, Yi declined to discuss the details by saying, "it is not desirable to discuss it at this time."

Yi, who now practices law, when asked what he thought would be a most desirable qualification for the next Seoul city mayor, cited "a man with an outstanding administrative career."

Opposition Parties Agree on Principles of Merger

SK1004050395 Seoul YONHAP in English 0452 GMT
10 Apr 95

[FBIS Transcribed Text] Seoul, April 10 (YONHAP)—The main opposition Democratic Party (DP) and splinter New People's Party (NPP) have agreed on a three-point principle that is expected to accelerate their merger.

The agreed principle reached by working negotiators from both parties Sunday night calls for a "party-to-party" merger, naming the merged party "Democratic

Party" and the adoption of co-chairmanship system." [quotation marks as received]

But the eight negotiators are reportedly at odds over the issue of their respective shares in the organization and leadership of the merged party, a DP official said Monday.

Among the negotiators from the DP are Vice President Yu Chun-sang and floor leader Sin Ki-ha and from the NPP are Supreme Council members Yim Chun-won and Cho Chung-hyon.

A close aide to DP President Yi Ki-taek said they agreed on the most controversial issues involving the merger except for "some problems concerning each party's share."

But the possibility of a complete merger still remains uncertain as the NPP Chairman Kim Pok-tong is reportedly reserving his final decision on the merger and some other NPP members are objecting to what they called "virtual absorption" by the major DP.

DP, NPP Expected To Declare 'Integration'

SK1204021095 Seoul YONHAP in English 0123 GMT
12 Apr 95

[FBIS Transcribed Text] Seoul, April 12 (YONHAP)—The main opposition Democratic Party (DP) and the splinter New People's Party (NPP) are expected to declare their "political integration" and eventual merger this weekend, informed sources said Wednesday [12 April].

DP President Yi Ki-taek and his NPP counterpart Kim Pok-tong gathered at a Seoul hotel Tuesday night to declare their political integration so that they could negotiate detailed merger issues including their respective shares of power and leadership in the new party.

The sources said both leaders reaffirmed their previous three-point agreement which called for the merger between their parties under the "party-to-party" principle, naming the party "the Democratic Party," and introducing the leadership of co-chairmanship by Yi and Kim.

They also agreed to organize a 30-member joint body, consisting of 15 members from each party, who will be responsible for taking procedures for the merger. Among the members of the joint body will be both parties' vice presidents, supreme council members, secretary-generals, floor leaders and chief policymakers.

A DP official disclosed they also decided to positively consider forming an alliance with another opposition party, the United Liberal Democrats, in their election campaign for the local autonomous polls slated for June 27.

DP President Yi told reporters after the meeting that all the procedures necessary for the declaration and the joint body's organization must be realized by the weekend.

Working-level negotiators from both parties will get together Thursday to continue negotiating the details of their merger under the Yi-Kim agreements.

Defense Ministry Reshuffles, Promotes 15 Officers

SK1204113195 Seoul YONHAP in English 1058 GMT 12 Apr 95

[FBIS Transcribed Text] Seoul, April 12 (YONHAP)—The Defense Ministry on Wednesday reshuffled 15 general-grade officers and promoted many of them to their next higher ranks.

In the shakeup, Lt. Gen. Yi Chae-kwan, commander of the Sixth Corps, was named to serve as vice Army chief of Staff; and Rear Adm. Nam Chong-myong, commander of the vessels construction group at the Naval Headquarters, as deputy chief of Naval operations.

Nam was promoted to the rank of vice admiral on reassignment.

Lt. Gen. Chong Yong-mu, chief of Staff of the Third Army, was named as commander of the Special Forces Command.

Maj. Gen. Yang In-mok, Army deputy chief of Staff for logistics, and Maj. Gen. So Kyong-sok, chief of Staff of the Army Training and Doctrine Command, were both given an additional star and appointed as corps commanders.

Brig. Gen. Chong Su-song and eight other Brig. Generals were promoted to the rank of Maj. General and reassigned as division commanders.

A military observer said the generals reassigned did not include any former member of the now-defunct Hanahoe Club.

In addition, Brig. Gen. Cho Hui-chin and Col. Pak Chong-hak were promoted to their next higher ranks, respectively, at their present duties.

'Lackluster' Stock Market Situation Reported

SK0804060995 Seoul YONHAP in English 0547 GMT 8 Apr 95

[FBIS Transcribed Text] Seoul, April 8 (YONHAP)—Share prices fell in thin trading on the exchange here in the past week, with the Korea composite stock price index plummeting 25.20 points, or 2.6 percent, to 908.89.

The average daily trading volume plunged to a record low of 14.7 million shares worth 270.1 billion won from the previous week's 20.4 million shares worth 429.7 billion won.

The market started the week on a shaky tone, with the leading index going downhill for the first three sessions of the week in a row to hit a low of 905.78 on Thursday.

The market closed Wednesday as the nation observed arbor day. The index then reversed to 914.30 on Friday to fall again in the half-day session at the week's end.

Amid the weakened market energy, partly due to the reduced customer deposits at brokerage houses, the increased daily price fluctuation range sent most institutional and individual investors to the sidelines.

The insurance, chemical and textile industries declined significantly, registering falls of 4.6 percent, 4.3 percent and 3.5 percent, respectively, for the week.

The lackluster market is expected to continue into the coming week because of concerns over an overheating economy and the decreasing customer deposits. Daewoo Securities Co.'s plan to launch a 25-million-dollar fund next week that will allow foreign investors to invest in preferred shares will attract foreign funds to the market, according to analysts.

Privatization Program of State Companies Unveiled

SK0904020995 Seoul THE KOREA HERALD in English 9 Apr 95 p 8

[FBIS Transcribed Text] The government, as part of its privatization program of state enterprises, will hand over managerial control of 13 corporations, sell equities of 11 companies and merge four others this year.

By June, the government's stock holdings in two state-run banks—Kukmin Bank and the Korea Exchange Bank—worth totalling 200 billion won (about \$250 million) on face value will be sold to the public on the domestic bourse, the Ministry of Finance and Economy said.

In July, Namhae Chemical Corp. will go public for the first time as the government will sell its equity through public subscription, they said.

Also to be sold is the government's 14 percent equity in Korea Telecom, worth 201.5 billion won on face value and 1.4 trillion won on market value, in the fourth quarter of this year. The state phone service company will be listed on the Korea Stock Exchange simultaneously with the sell-out.

The government, while pushing ahead with its privatization program as scheduled to enhance the competitive edge of public sector, will see that the mass sell-out not adversely affect the domestic stock market, the officials said. Under the principle, the government will carefully control the timing of stock sell-out, they added.

It has decided to hand over the managerial control of four more firms this year, including Korea Gas Corp., Korea Heavy Industries and Construction Co. (HANJUNG), and Namhae Chemical Corp., in addition to nine others, including the two state-run banks, whose managerial control transfer had been promoted since 1994.

Detailed privatization methods for Korea Gas Corp., and HANJUNG will be decided later based on the results of studies that have to be completed by July and June, respectively.

The government also added two more firms, Korea Telecom and Daewoo Heavy Industries Ltd., to the existing 11 firms whose government equity holdings are to be sold.

Among the companies subject for merger are Taehan Coal Corp. and Korea Mining Promotion Corp.

Out of the 35 corporations scheduled to be privatized in 1994, the government has completed privatization procedures for 17 companies, including Korea Tungsten Corp., the officials said. From the seven companies subject for mergers and abolition, three have been already abolished including Korea Ginseng Export Corp.

Brunei, Malaysia & Singapore

Malaysia

Defense Minister on TIME Terrorism Allegation

BK1104031395 Kuala Lumpur UTUSAN MALAYSIA in Malay 11 Apr 95 p 18

[Report by Abdul Aziz Ishak]

[FBIS Translated Text] Kuala Lumpur, 10 April—Defense Minister Datuk Sri Najib Tun Razak believes that the allegation that several military training camps exist in this country for the purpose of training international terrorists is a new form of threat to Malaysia. He said Malaysia must make speedy preparations to counter this new threat because certain parties are envious of the success achieved by the country in recent years. He said Malaysia has never been involved in any form of terrorist activity, internally or externally. Such unfounded allegations should be refuted so the country's image will not be smeared.

Speaking to UTUSAN here today, he said: "Such activity does not exist in this country, either openly or secretly. It is possible that there are certain motives behind the report."

He said this when asked to comment on the latest issue of TIME magazine, which carried a report entitled A Mad Dream of Global Terror alleging that there are several military training camps in Malaysia for training Arab terrorists. The report also alleged that Malaysia had recently intervened in the Philippines' south Mindanao dispute.

Last Saturday, Prime Minister Datuk Sri Dr. Mahathir Mohamed strongly refuted the allegation and challenged TIME magazine to send a reporter to the country to make personal observations and write a report on Malaysia.

Dr. Mahathir said the foreign media's aim in writing such a report is to prevent foreign investors from coming to this country, and as a result affect the national economy and development.

Besides this, Najib said that military facilities in the country are specifically utilized for national defense and not for any other purpose. He said the Malaysian Armed Forces (ATM) have clear principles in playing their role and have never supported any form of terrorism.

Meanwhile, an intelligence source revealed that steps have been taken to trace the source of this information. According to the source, recent reports projected a "fearful image" of Malaysia. The intelligence source said: "We are more interested in tracking down the source that provided this report and who was behind it."

Singapore

Philippine Findings in Maid Case Rejected

BK1104135795 Singapore Radio Corporation of Singapore in English 1300 GMT 11 Apr 95

[FBIS Transcribed Text] Singapore has issued a 26-point detailed statement rebutting the findings of the Philippine Presidential Commission on the Flor Contemplacion case. The government says the main areas of inconsistency lie in the autopsy finding and the credibility of the witnesses. In addition, some of the incidents cited by the commission could not have taken place. This is because some of the witnesses and Flor Contemplacion were not at the same location. One witness, Lucena Tunggali Tocino, testified she saw prison officials torture Contemplacion with electric shocks.

The government maintains that no torture of any kind took place. This is the only thing that resembled [words indistinct] EEG [electroencephalogram] tests conducted to establish Contemplacion's mental condition. These tests were ordered by her own psychiatrist and were conducted at Tan Tock Seng Hospital, and the tests were neither painful nor did they involve electric shocks. Mrs. Tunggali Tocino was held at Changi Prison when the tests were carried out, and the prison is 15 kilometers away by road from the hospital. The government says she could not have seen the tests.

The government also rebutted another witness' account that she heard Delia Maga's employer discussing the crime with his brother. Emilia Franella testified the two men discussed the killing in Malay and that she understood the language. Singapore says both men did not use Malay in the conversation and they spoke in Hakka and Mandarin, which Franella could not have understood.

Singapore has also rebutted the conclusion of the commission's finding on the exhumation of Delia Maga by the National Bureau of Investigation. The commission claimed that Maga sustained several fractures in her skull, her shoulder, and her ribs. Based on this finding, it concluded Maga's injuries were inflicted by a man or a very strong woman, but photographs taken by Singapore forensic scientists showed that there were no head, shoulder, and rib injuries or bruises at the time of the autopsy. The government says it is possible for a woman to kill another woman by overpowering and strangulation. In this case, Contemplacion was about 12 kilograms heavier and six cm [centimeters] taller than Delia Maga. The government says the commission has ignored these figures.

Possible Solution to Trade Dispute With Malaysia

BK1004151395 Singapore Radio Corporation of Singapore in English 1100 GMT 10 Apr 95

[FBIS Transcribed Text] Singapore has asked the World Trade Organization [WTO] to postpone the setting up of a panel to settle its trade dispute with Malaysia. The

republic had asked for a panel to look into Malaysia's import restrictions on polyethylene and polypropylene. These raw materials are used to make plastic, but last month Malaysia said it was modifying procedures and would issue permits automatically to all bonafide importers. Singapore has welcomed this positive development and hoped the new scheme would conform fully with WTO guidelines. This will allow Singapore to withdraw its complaints from the WTO.

Editorial Rejects Labor Standards for Trade

BK1004164395 Singapore THE STRAITS TIMES in English 10 Apr 95 p 28

[Editorial: "Killing the WTO at Birth?"]

[FBIS Transcribed Text] It would be little short of a crime against humanity if the tremendous prospect of prosperity through multilateral trading were to be scuttled because of the American obsession with linking trade with labour standards. A distinction must be drawn in this respect between what United States Commerce Undersecretary Jeffrey Garten calls "commercial diplomacy" and the ominous warning by Labour Deputy Undersecretary Jack Otero that Trade Representative Mickey Kantor is about to launch another of those often abrasive and always counterproductive campaigns for which he has acquired a justified notoriety. Commercial diplomacy might be a legitimate attempt to increase exports; but if U.S. strategy includes sanctions or other unilateral action under domestic legislation, it would strike at the very heart of the painstakingly created regime that the World Trade Organisation (WTO) represents.

This renewed attempt to impose the American will on world trade comes just as the newly-born WTO seems poised to fulfil the hopes that sustained seven tortuous years of negotiations to replace the old General Agreement on Tariffs and Trade with a more effective global authority. True, the new organisation cannot be given credit for the boom figures that it has reported for 1994. But 1994 was the threshold year, and if it saw the volume of international trade reach its highest point in 20 years, the rate of growth being twice that in 1993, there is every reason to expect this to be the harbinger of the future. As the WTO's acting chief, Mr. Peter Sutherland, puts it, last year's record figures "mean growth in business, in jobs and in living standards, and in the WTO, the world now has new possibilities for helping to sustain this growth."

It is no surprise that Asian, especially East and Southeast Asian, countries led the way, with much higher exports and imports. Nor, when one stops to think, is it at all surprising that this spectacular growth (China's exports rose by 31.9 percent and its imports by 11.3 percent) should have underlined the essential interdependence of the global community. The WTO report points out that Asia's thrift and industry yielded such handsome benefits at least partly because of the interaction with a combination of factors elsewhere. Prominent among

these causes were the economic recovery in Western Europe, the higher growth of domestic demand in the U.S., the opening up of several developing countries and Latin America's expanding trade, and the revival, albeit slow, of economic activity in the former statist systems of Central and East Europe.

Nowhere does the WTO ascribe either burgeoning global trade or the bullish trend in Asia to differential advantages arising out of lower wages, poorer working conditions, inadequate social protection, neglect of the environment, or any kind of avoidance of the rules of competition. Neither, to be fair, does the U.S. On the contrary, American spokesmen are at pains to emphasise that they are going to these lengths only because their sensibilities are offended by having to do business with countries where "there is imprisonment of labour activists, the use of prison labour." The short answer is that doing business is a matter of choice, and Americans buy where they find it most advantageous.

By that same token, the U.S. is entitled to try to increase its own sales abroad: no one can object to Mr. Garten's visits to China and Hong Kong in an effort to reduce his country's chronic trade deficits. U.S. Treasury Secretary Robert Rubin also has every reason to be concerned about a U.S. \$66-billion (S [Singapore] \$92.40-billion) adverse trade balance with Japan. But Mr. Kantor's renewed threats at a recent hearing of the Senate Finance Committee are another matter, suggesting that short shrift might be given to the ideal that the WTO embodies. In the interests of world (not excluding American) prosperity, it is to be hoped that wiser counsel will prevail in Washington.

Cambodia

KR Radio Warns Australian Military Experts

BK1204041495 (Clandestine) Radio of the Provisional Government of National Union and National Salvation of Cambodia in Cambodian 1200 GMT 10 Apr 95

[FBIS Translated Text] There are reports that a group of Australian military experts went to Kompong Thom on 5 April. This is a desperate attempt by the allies to rescue the two-headed troops, who are seriously losing on the battlefields of northern Cambodia. The 17th dry season has ended and the two-headed government has been seriously defeated. No long-nosed guys can save it.

The Cambodian nation and people would like to warn these Australians that the Cambodian people are not committing any aggression against Australia; not at all. You should stop working with the communist Vietnamese aggressors against Cambodia. Beware of getting killed and having your corpses left in Cambodia, and don't accuse the Cambodian people of this and that.

Commentary Views Visit by Australia's Hayden

BK1204032195 (Clandestine) Radio of the Provisional Government of National Union and National Salvation of Cambodia in Cambodian 1200 GMT 10 Apr 95

[Unattributed commentary: "The Chief War Criminal Bill Hayden, Australia's Governor General, Is Visiting Phnom Penh in His Capacity as the Top Boss of the Traitorous Two-Headed Government and in a Situation Where Both the Boss and His Stooges Are Advancing Toward Their Collapse in Cambodia"]

[FBIS Translated Text] The chief war criminal Bill Hayden, governor general of Australia, will visit Phnom Penh soon. He will go there in his capacity as the chief war criminal supporting communist Vietnam; the two-headed government; and the other alliance members, the United States and France, in continuing to fuel the war against the Cambodian race. The Cambodian nation and people have already convicted him as the chief war criminal because, together with Gareth Evans, John Sanderson, and John Holloway, he has committed many terrible crimes against our nation, people, and race.

As a matter of fact:

1. Australia joined UNTAC [UN Transitional Authority in Cambodia], the United States, France, communist Vietnam, and the Vietnamese puppets in sabotaging the Paris Agreement of October 1991; undermining genuine national reconciliation, national concord, and peace in Cambodia; and continuing to ignite the genocidal war in Cambodia.
2. Australia joined UNTAC and other chief assassins in forcibly conjuring up the traitorous two-headed government following UNTAC's fraudulent elections of May 1993.
3. After conceiving the two-headed government, Australia joined it in enacting an immigration law to legitimize the presence of 4 million illegal Vietnamese immigrants in Cambodia and allow millions of other aggressor Vietnamese nationals to continue to swamp Cambodia.
4. Australian Foreign Minister Gareth Evans is the assassin responsible for all of the above. This man, Gareth Evans, has been active in his role as international aid collector, gathering aid here and there, from this conference and that conference, to enable communist Vietnam and the two-headed government to continue to ignite the war against the Cambodian nation and people. Moreover, Australia has joined the traitorous two-headed government, communist Vietnam, the United States, and France in launching operations against the Cambodian people and Democratic Kampuchea ever since the 16th dry season. They have been successively crushed, however, by the nation, people, and the National Army of Democratic Kampuchea [NADK]. They have suffered shameful defeats at Anlung Veng, Pailin, and other battlefields.
5. Australia helps feed communist Vietnam. It has given Vietnam \$100 million [currency not specified] to build a

bridge on the Mekong River, violating international law and encroaching on Cambodia's right to the Mekong River, which is an international waterway.

6. Australia has openly announced to the international community that the two-headed government is its exclusive stooge. It has claimed that Cambodia is the only country in the world in which Australia can boast of having the greatest authority. As a matter of fact, John Holloway, former Australian ambassador to Cambodia, now acts as the chief of the extremely obnoxious and extremely corrupt two-headed government's diplomacy. The bitch Sue Downie, a former employee of Australia's psychological warfare department, is now the boss of the two-headed government's Information Ministry. Hundreds of other Australians control other ministries of the two-headed government. So it is Australia that is the chief assassin that has joined communist Vietnam in continuing to fuel the war against our race.

In what kind of situation is Bill Hayden coming to Cambodia? It is a situation where both the boss and the stooge are heading toward all-around collapse; a situation where the traitorous two-headed government is suffering a serious defeat during this 17th dry season on all Cambodian battlefields, especially in northern Cambodia.

This new great victory by the Cambodian nation and people and the NADK—a victory that reverberates all over the world—has silenced the alliance of bandits and has forced Bill Hayden to come to Cambodia as a loser. They lose because they are warmongers who oppose genuine national reconciliation and peace in Cambodia. They lose because the Cambodian people and NADK fight them with determination to defend the Cambodian nation resolutely and save and perpetuate the Cambodian race. No aggressor can prevail over the resolute and determined will of the Cambodian nation and people. This is the truth behind the courageous and heroic struggle waged by our nation and people over the centuries.

*** Khmer Rouge Financial Chief Switches Sides**

95SE0121A Bangkok THAI RAT in Thai 15 Feb 95 p 2

["Window on the World" column by Bowon Thosikaeo]

[FBIS Translated Excerpt] The report that Mr Sar Kim-lmut, the chief financial officer of the Khmer Rouge, had switched sides and asked for protection from the government as of November of last year made both those on the outside and inside prick up their ears with anticipation after having been discouraged for so long about subduing the Khmer Rouge.

The Cambodian Government probably milked him dry for secrets before they revealed this last week, but I do not know whether they got anything substantial or not.

Yes...this is very exciting because Mr Sar Kim-lmut is the highest placed member of the Khmer Rouge to have switched sides. He had reached the level of "finance minister" and so must have known the secrets and the

complexities of the Khmer Rouge especially with regard to money which is like its life blood and has allowed it to stand fast in fighting the government until now.

For some time the Cambodian government and the Western nations have tried to find out what the Khmer Rouge did with its money because they knew that the Khmer Rouge has had enormous income from the timber and gem mines in the areas under its control in the north and northwest, especially from its Thai partners.

It is said that the Khmer Rouge skillfully moved their money through various banks in Thailand, China, Hong Kong, and Switzerland with the help of a group of people who shared the profits. Therefore it has not been easy to find this artery and stop the pulse of the Khmer Rouge.

If Mr. Sar Kim-Imut did reveal the truth about this, then the hopes of pulling the Khmer Rouge up by its roots look good because when it is known where the Khmer Rouge has buried its "treasure" then the international community will be able to "attach" it at once, and the Khmer Rouge will immediately become the "crippled Khmer."

A plan to attach the assets of the Khmer Rouge, if coupled with the recent Thai diplomatic policy initiative of closing the border and prohibiting trade with any level or group of the Khmer Rouge, would make them that much more tired and disorganized and would provide a golden opportunity for the government to mount a major effort to wipe them out.

Now the problem is whether Mr. Sar Kim-Imut is willing to tell the truth inasmuch as the purpose of his changing sides is unclear. Every information source says something different. Some say that he fled the jungle on his own because he could not stand the difficulties. And some say that Pol Pot, the No. 1 leader of the Khmer Rouge, gave the green light for him to leave in some scheme for him to serve as a "spy" for Pol Pot.

Most likely he came out because he could not stand the extremely difficult life in the jungle which was similar to what many diplomatic officials of the Khmer Rouge had to endure in their isolated positions after the Cambodian government closed the Khmer Rouge embassy in Phnom Penh last year.

These people, who are the "brains" of the Khmer Rouge, are afraid that now that Thailand has "severed relations" with the Khmer Rouge, they will have no escape route when they confront a determined offensive and so are seeking a way out by quickly changing sides and creating a bargaining position with the government beforehand.

One thing Mr. Sar Kim-Imut said which the international community believes is that the low-level Khmer Rouge are now very confused and dispirited because they do not know what their fate will be now that many of their big bases have been destroyed. In addition their allies are fleeing to the government side more and more.

Although the high-level leadership of the Khmer Rouge is still a puzzle, nevertheless from what Sar Kim-Imut has said, Pol Pot and a general from the same brutal faction, "Ta Mok", control almost all power and have returned to their former policy of blood and fighting. They have completely closed the door to talks.

As for Mr. Ieng Seri, the former foreign minister, and Mr. Nuan Chia, the No. 2 planner of the Khmer Rouge, they are very sick and have given up power. [passage omitted]

Khmer Rouge Radio: IMF Halts Aid to Government

BK1204052295 (Clandestine) Radio of the Provisional Government of National Union and National Salvation of Cambodia in Cambodian 1200 GMT 10 Apr 95

[FBIS Translated Text] According to reliable sources, the IMF issued a statement on 7 April cutting off funds to the two-headed government. This confirms that the allies and masters of the two-headed government are really desperate. Everyone in Phnom Penh is talking about the corruption within the two-headed government; it is being defeated and is disintegrating.

Foreign observers in general, civilian and military, clearly realize that the two-headed government is finished. Nothing can resuscitate it. It has been disintegrating politically and socially. Economically and financially, it has been sustained by drops of aid, but now this has been cut off.

More seriously, the two-headed government is losing on the military battlefield during the 17th dry season; this is a fatal defeat. There are no more troops; no scruffy commanders. In the past, the two-headed government has been just able to survive through two main sources of support—the communist Vietnamese army and police repressive fascist forces; and economic and financial support, mainly from the IMF. Now this economic and financial support has gone and the support from the army and police is crumbling; manpower is lacking. Now that the main supports are crumbling the two-headed government cannot survive. This is why the entire Cambodian nation and people are repeatedly saying that the final day of the two-headed government has arrived.

Khmer Rouge Claims Stretch of Route 68 Cut

BK1204052495 (Clandestine) Radio of the Provisional Government of National Union and National Salvation of Cambodia in Cambodian 1200 GMT 10 Apr 95

[FBIS Translated Text] On 9 April our National Army attacked and took control of the stretch of Route 68 between Chong Kal and Pongro Ta Paen. On the same day, the 9th Division brought a truckload of troops from Samraong to Pongro Ta Paen. We ambushed and destroyed the truck, killing two soldiers. While fleeing, the remaining troops stepped on five of our mines; five were killed and four others wounded. Six other soldiers

were wounded by our punji stakes. Altogether we killed eight enemy soldiers and wounded 10 others. A general, a colonel, a major, and a captain were among those killed. We seized an AK, a (?pistol), 20 bundles of goods, and a quantity of other materiel.

The National Army, guerrillas, and people on the Route 68 battlefield have pledged to cut off Route 68 completely, the way the army, guerrillas, and people did on the Route 12 and Route 6 battlefields.

Khmer Rouge Said Sending Arms to Burmese Rebels

BK1204063695 Phnom Penh THE CAMBODIA TIMES in English 26 Mar-1 Apr 95 p 8

[Report by Vijaya Ratnam]

[FBIS Transcribed Text] Kuala Lumpur—With the fighting in Cambodia almost fizzling out, the Khmer Rouge are suspected of deviating their weapons to other regional rebel forces, like the Karen rebels fighting against the Burmese junta, based on a three prong strategy.

The first strategy is to ensure that the common border regions between Cambodia, Thailand, and Burma remain an unstable region which could be better exploited by the Khmer Rouge, to ensure safety of their supply routes and for easy movement of their personnel in the face of determined attacks by the government forces.

The second strategy is to ensure that they have like-minded counterparts who would be of great assistance and service in their on-going but greatly reduced fighting capacity.

It is estimated that there is greater co-operation among these rebel forces, who are believed to have in some small instances joint together, to launch attacks against the Cambodian government forces and the Burmese government forces.

The need for this "co-operation" between the rebel forces became more urgent as each faction has in the recent months faced major defeats at the hands of their respective government's armed forces. It had also led to the defection of a substantial portion of their armed personnel, which has affected their standing and capabilities to continue with their rebellions.

The third strategy is basically an economic stand taken by the Khmer Rouge faction. By supplying the Karen rebels with weapons, they are able to generate more financial revenue to support and pay for their own struggle.

It would also help them to control valuable tracts of lands, rich in timber and precious gems, which they would exploit to earn more funds, through their destabilisation policies.

The need to generate more funds is also urgent for the Khmer Rouge, who have lost control of several sources of financing through the betrayal of their agents and bankers, by repentant Khmer Rouge rebels who have crossed over to the government's side.

This is again true, when the military and political situation is taken into consideration. The Khmer Rouge rebels are now being rejected more and more by the ordinary Cambodians and even by their own armed force personnels and supporters, as terrorists. As such it has become paramount to the personal interest of the top leaders of the Khmer Rouge to accumulate as much funds as is possible in the immediate time left, before they are forced to flee the country.

In the context of these statements, it was not surprising when, Thai border patrol policemen recently uncovered a cache of weapons, believed to have been smuggled from Cambodia, from the vicinity of the Thai-Burma border, in Ban Tak District.

The discovery was based on a tip-off. Police Lt. Colonel Somsak Ninprapha, the deputy superintendent of the 34th BPP [Border Patrol Police] unit led a team of 15 men who used a mine detector to uncover the buried armaments, which included 200 rounds of M-93 machinegun ammunition, two 60-mm mortars and 1,441 rounds of 7.62 ammunition. These were believed to be bound for the Karen National Union rebels who are fighting for the overthrow of the Burmese military junta.

The very fact that the seizure was due to a tip-off shows that the rebels are losing their momentum in their struggles. This especially is true of the Khmer Rouge.

It is however certain that arms smuggling in the region will continue as there is great profits to be made for the illegal arms merchants. The lack of military control over a vast territory covering northern Burma, Thailand, Cambodia and even Laos makes it an ideal place for the merchants of death to market their wares.

As for supplies of armaments, it is an easily obtainable commodity from the war ravaged regions of north-eastern Cambodia and even from Vietnam which has excess supply of weapons to sell off at a low price. This is in addition to the modern armaments which are being sold to any and every available purchaser by several arms producing countries.

Unless and until these routes of supply are cut off and corrupt officials and military personnels are dealt with forcefully, the smuggling of arms will continue. Cambodia will also continue to be a major source and route for this illegal trade.

Philippines

Singapore Recalls Ambassador After 'Complaints'

BK1104130795 Hong Kong AFP in English 1254 GMT 11 Apr 95

[FBIS Transcribed Text] Manila April 11 (AFP)—The Singaporean ambassador to the Philippines has been

recalled on the orders of Prime Minister Goh Chok Tong, Philippine Foreign Secretary Roberto Romulo announced Tuesday.

Romulo said the recall of Ambassador Tan Seng Chye came after Filipinos' complaints against him although he did not give specifics.

On Monday, Philippine President Fidel Ramos suspended the Philippine ambassador to Singapore, Alicia Ramos (no relation) and nine other diplomats who are or were based in Singapore, for allegedly not doing enough to prevent a Filipina maid, Flor Contemplacion, from being executed there.

Tan's recall comes also after Ramos said he had advised Goh to reorganize the Singaporean embassy in the Philippines in order to have "more effective rapport" between the two countries.

Contemplacion was executed last month for the 1991 murder of another Filipina maid and a four-year-old Singaporean boy, but many in the Philippines insist she was innocent and accuse the Singapore government of injustice and the Philippine government of negligence.

The controversy has soured relations between the two countries. A special commission created by Ramos, concluded last week, that Contemplacion was probably innocent, a finding that Singapore called "absurd."

Both countries earlier called their respective ambassadors back after the controversy broke out.

Ramos, meanwhile, confirmed that the ambassador had been recalled and disclosed that the envoy had already left the country.

He added that he and Goh spoke by telephone on Tuesday [11 April] and agreed that Philippine and Singaporean forensic experts would conduct a new autopsy on the remains of Delia Maga, the maid allegedly killed by Contemplacion.

Foreign ministers will be told to "work out soonest, the procedures for the re-examination," he said.

'Tight Security' After Abu Sayyaf Threat

BK1204092195 Quezon City DZBB Radyo Bisig Bayan in Tagalog 0800 GMT 12 Apr 95

[FBIS Translated Text] Malacanang has been placed under tight security. The head of the Presidential Security Group [PSG] issued a directive to tighten security at Malacanang following intelligence reports on Abu Sayyaf threats to launch violence in metropolitan Manila during Holy Week. Several PSG members confirmed that the group has been on full alert since this morning in anticipation of any untoward incident.

All persons and vehicles entering the palace are stringently scrutinized; even reporters who have been assigned to the palace will not be spared from the

scrutiny. All communications equipment brought by reporters will be given an identification tag.

Meanwhile, one PSG member said that whether the threat is real or not, it is best to be prepared.

BID Investigates Undocumented Foreigners

BK1204004695 Quezon City DZBB Radyo Bisig Bayan in Tagalog 0800 GMT 11 Apr 95

[FBIS Translated Text] The Bureau of Immigration and Deportation [BID] has conducted an extensive inventory on the number of foreigners in the country, particularly foreign students. The bureau's action was triggered by the rise in the number of Pakistani nationals. The bureau also obtained information that some foreigners have been able to enter the country without the proper documents. Among those the BID discovered are staying illegally in the country are Iranian nationals. The immigration agents' next move will be to investigate universities to see if there are foreign students studying without the necessary permits. The BID's action against illegal foreigners comes in reaction to the threat posed by international terrorists to the country's peace.

PRC Fishermen Charged With Firearms Possession

BK1204065695 Quezon City GMA-7 Radio-Television Arts Network in Tagalog 2230 GMT 11 Apr 95

[FBIS Translated Text] The government has formally charged the 62 Chinese fishermen arrested in the Kalayaan Islands last month. The Chinese have been charged with illegal possession of firearms and explosives and illegal entry. Earlier, Chinese leaders demanded that the president release the Chinese fishermen, but President Ramos rejected this. He said the Chinese could bring destruction to the Spratly Islands and nearby areas by keeping explosives.

MNLF Chief, Officials on Ipil, Security Issues

BK1204053695 Quezon City GMA-7 Radio-Television Arts Network in Tagalog 2230 GMT 11 Apr 95

[Passages within quotation marks recorded; italicized passages in English]

[FBIS Translated Text] MNLF [Moro National Liberation Front] leader Nur Misuari has admitted that some members of an MNLF breakaway group were involved in the Ipil attack last week. In an interview conducted by DZBB radio from his home in Saudi Arabia, Misuari said this group is opposed to the peace talks between the government and the MNLF. He added that the group believes the only solution to the problems of Muslims in the Philippines is war:

[Misuari, in progress] "...the government knows about this. As a matter of fact, without these elements, Janjalani [Abu Sayyaf leader] would not be able to launch any military activities against the government or to counteract

the government offensive because they are experienced fighters—some of our experienced fighters—who do not want to stop the fighting. That is why, because they do not want to have what is called an interim cease-fire and they do not want to have peace process, they want to continue the conflict because they thought that that is the only solution."

Misuari said that the peace talks should continue despite the threats to his life:

[Misuari] *"It would be serious if that is really their objective, but I do not think to... [pauses] By liquidating me, this peace process can be stopped. It all depends upon the government and the MNLF. This is what is important; even without Nur Misuari, the peace process can go on."*

According to peace process adviser Manuel Yan, they are not looking at the Ipil raid as an MNLF violation of the cease-fire agreement. Yan clarified that it was the Abu Sayyaf and MNLF breakaway group that were responsible for the raid and not Misuari's men.

The military is ready for any further terrorist attack. This is what AFP [Armed Forces of the Philippines] Chief of Staff Arturo Enrile said. Enrile said they are monitoring the towns of Pagadian, General Santos, and Cagayan de Oro—where the terrorists are expected to attack—very closely:

[Enrile] *"These are information that have been received even before the Ipil incident, and these are threats. Whether these are, what you call just, you know, pure threats or whether they will do it is a big question, but we are not taking it for granted."*

[Unidentified correspondent] *"What security measures have been taken this holy week?"*

[Enrile] *"Yes, we have placed all our units in Mindanao, for that matter, on full alert and preparations for, and anticipation, in case the terrorists will make use of threats."*

Defense Secretary Renato De Villa believes that members of the Abu Sayyaf led the attack in Ipil:

[De Villa, in progress] *"...that they have captured somebody, one or two, from the field and they are now with the investigation."*

[Unidentified correspondent] *"Were they Abu Sayyaf?"*

[De Villa] *"Suspected to be members of the Abu Sayyaf."*

The military is carefully studying the terrorists' next step in order to stop their plans to launch any further attacks:

[De Villa] *"We cannot conclude that the Ipil attack is part of a larger operation as of this point, because while we know the general intentions of the Abu Sayyaf, we still have to gather enough information to find out if this is a beginning or part of a larger extremist operation."*

The authorities are presently preparing for a possible eruption of violence in Manila during the holy week. Earlier, the National Capital Regional Command received intelligence reports that the Abu Sayyaf would bomb several shopping malls, hotels, and churches during the holy week. PNP [Philippine National Police] Chief Recarido Sarmiento said his men are ready for this anticipated violence:

[Sarmiento, in progress] *"...escalation here in Metro Manila. We are just... [pauses] This is our normal function to ensure that there will be an orderly, honest, and peaceful conduct of the elections [as heard] not only here in Metro Manila but all over the Philippines. And additionally this is also a preemptive action to prevent the bank robbers to do their thing and the jewelry stores."*

Thailand

Further on Visit by Kuwaiti Prime Minister

Holds News Conference

BK1204051995 Bangkok THE NATION in English
12 Apr 95 p A3

[FBIS Transcribed Text] Kuwait has agreed to increase investment and mutual cooperation with Thailand in a variety of fields, Kuwaiti Crown Prince and Prime Minister Shaykh Sa'd al-'Abdallah al-Salim al-Sabah told a press conference yesterday. He said at the end of his two-day official visit to Thailand that Kuwait was looking forward to supporting Thailand in its position as host of the 1998 Asian Games and its Southern Seaboard projects.

"We are very serious, we mean what we say. So when we say we want to improve cooperation with Thailand, we mean it," he said.

He said that if Thailand has any important projects that needed aid, they should contact the Kuwait Fund.

"The door is open for members of the (Thai) government to get in touch with Kuwaiti officers to discuss the details," he said.

According to future ambassador to Thailand, Maitri Chuladun [name and position as published], Kuwait recently agreed to issue gratis visas to Thai travelers wishing to visit Kuwait.

In February this year, Thailand agreed to permit the citizens of 56 countries, including Kuwait, to enter the country for 30 days without a visa.

In 1989 Kuwait had prepared to open an embassy in Bangkok but put the project on hold due to lack of personnel and the Gulf War, but it will open soon.

Expresses Interest in Oil Refinery

BK1204054595 Bangkok BANGKOK POST in English
12 Apr 95 p 13

[FBIS Transcribed Text] Kuwait has shown a greater interest in participating in the ambitious export-oriented

oil refinery planned for southern Thailand, now that its bid to acquire stakes in refineries that are currently operating or being built has been turned down by the parties involved.

Kuwaiti Oil Minister 'Abd-al-Muhsin Mid'aj al'Mid'Aj yesterday announced his country's interest in joining the 300,000-barrel-per-day refinery project. He had expressed doubts about its viability during his visit to Bangkok last November.

The expression of interest of the Gulf state followed a meeting on Monday between Kuwaiti Crown Prince Shaykh Sa'd al-'Abdallah al-Salim al-Sabah and Prime Minister Chuan Likhai at the Government House, during which Mr Chuan solicited the Crown Prince's interest in taking part in the southern refinery and related oil pipeline.

Kuwaiti oil officials yesterday met senior executives of the Petroleum Authority of Thailand [PTT], including the governor, in a bid to obtain a clearer picture of the Thai projects, which form the core of the Southern Seaboard Development Programme.

Although Kuwait is not all that keen on playing a role in the southern refinery, it would like to further assess the project's viability and a feasibility study will be conducted later.

Kuwaiti officials suggested that if there was Kuwaiti participation in the southern refinery project, Kuwait would not be the sole investor as it would rather become a partner with PTT in the venture.

Meanwhile, they confirmed the country's interest in being a partner in the Thai Petrochemical Industry [TPI] Group's ambitious export-oriented oil refinery with a crude processing capacity of 300,000 b/d [barrels per day] in Rayong.

TPI Group chief Prachai Liaophairat last month visited the Gulf state where he met the Kuwaiti Oil Minister. According to Mr Prachai, the size of the stake in TPI's proposed refinery project which Kuwait would take, expected to be through the state-run Kuwait Petroleum Corp, has yet to be worked out.

Kuwait would also supply crude oil to the TPI refinery expected to come on line by the turn of the decade.

Minister Suggests 'Measures' Against Cambodia

*BK1204031995 Bangkok THE NATION in English
12 Apr 95 p A2*

[FBIS Transcribed Text] Interior Minister Sanan Khachonprasat yesterday suggested that Thai authorities adopt "immediate and harsh measures" against Cambodia over a series of crimes and killings along the border. He said negotiations between the two countries have proved futile in putting a halt to the incidents, citing the recurrence of violence shortly after Cambodia's Second Prime Minister Hun Sen visited Bangkok recently.

"We should adopt immediate, harsh and more serious strategies in dealing with Cambodia as a number of our people have been killed by Cambodians. Don't think that dialogue could end the matter—remember Hun Sen's visit here? We talked (about security along the border). But when he went home the incidents happened again," Sanan said.

The minister was referring to the recent killings of two border patrol police in Cambodia late last week after they went missing en-route to their base in Sa Kaeo province.

Sa Kaeo Governor Kasem Chaisit said he is seeking approval to close the border checkpoint in Aranyaprathet district, the gateway to Cambodia's Poipet province.

The minister's remarks conflict with the views of Foreign Minister Krasae Chanawong who said on Monday Thai authorities should not be too hasty about closing the border in Sa Kaeo.

Krasae said bilateral relations are very important and need to be handled with utmost care, adding that the safety and welfare of Thais should be considered a priority.

Thailand has long shouldered the effects of political conflicts inside Cambodia. But the environment along the border has become increasingly tense over the dry season when the Cambodian government launched a major offensive against the outlawed Khmer Rouge.

Because most of the guerillas' strongholds are located close to the border Thais are threatened by artillery shells straying across the border.

In many cases Cambodian government troops commit crimes mainly because most of them remain unpaid in the wake of a budget crisis in the country.

Meanwhile, Assistant Army Commander in Chief Gen Chettha Thanacharo said he supports closing the border checkpoint.

"In the current context, I agree we should close it or else we would have to shoulder everything. The governor's idea will be considered by his superiors," Chettha said.

The general also pledged support for Sanan's initiative to increase the number of troops along the border. "The more the better as the numbers we have now is not enough."

He added the military is unhappy with conditions along the border and will take measures to protect the dignity and pride of the country and ensure the safety of its people.

Cabinet Approves 1996 Annual Expenditure Budget

*BK1204054395 Bangkok BUSINESS DAY in English
12 Apr 95 p 1*

[FBIS Transcribed Text] The Cabinet yesterday approved the annual expenditure budget for the 1996 fiscal year

totalling 832.2 billion baht, an increase of 16.4 percent over the budget for fiscal 1995 of 715 billion baht.

The budget is divided into three main categories; investment, accounting for 304.5 billion baht; salaries and expenses for state employees, 495.29 billion baht; and debt repayment, 32.41 billion baht. By sector the biggest slice of the total expenditure, 169.79 billion baht, is earmarked for education sector, an increase of 23.4 percent over last year.

The second highest amount will go to the social welfare sector with 111.1 billion baht, while the defence and security sector receives 108 billion baht, ranking it third.

If divided by Ministry, the Interior portfolio is to receive the largest chunk of this year's budget with 147.7 billion baht, an increase of 40.8 billion baht, or 38.2 percent, over last year's budget. By Ministry, Education came in second with 131.8 billion baht, and the Defence Ministry with 100.5 billion baht was third.

According to Bodi Chunnanon, director of the Budget Bureau, the Interior Ministry got the maximum share because of the introduction of budgets for 6,834 Tambon (sub-district) Councils and Administrations, which amounts to 15 billion baht. The jump in the Education Ministry's budget was mainly due to the introduction of the new Education Fund, which it shares with the University Bureau.

The Cabinet also provided figures which broke down the total by six main policy; provincial and rural development, 168.2 billion baht; decentralization of fiscal power to the provincial and community authorities, 24.3 billion baht; educational and quality of life development, 144.7 billion baht; natural resource and environmental development, 223.1 billion baht; increase in national competitiveness, 12.4 billion baht; solutions to traffic problems and the rehabilitation of the Bangkok Metropolitan area, 7.5 billion baht.

In the budget the Cabinet also approved six new projects with for the fiscal year; the Education Fund, 4 billion baht; the Government Pension Fund, 4.6 billion baht; the Financial Support for Tambon Councils and Administrations, 15 billion baht; Workers Welfare and Skill Development, 3 billion baht; and the Thammasat Sports Complex for the Asian Games, 8.5 billion baht.

Each MP has been allocated 10 million baht to spend at his discretion in his constituency, a 50-percent cut over last year. The total budget for the MPs amounts to 3.6 billion baht which will be drawn from central funds.

Cabinet Approves Measures To Boost Competitiveness

BK1204092795 Bangkok Radio Thailand Network in English 0000 GMT 12 Apr 95

[FBIS Transcribed Text] The Cabinet yesterday approved a package of strategies and measures in a white paper aimed at boosting Thailand's competitiveness in

the world market. The package consists of four chapters involving changes and impacts towards the country's competitive edge by the end of the 20th century, Thai economy in the international arena, directions and targets of competitiveness, and 18 strategies to boost Thailand's competitiveness. Among the strategies are export promotion; negotiations in the international economic arena; market liberalization; foreign investment promotion; labor and human resource development; the development of Thailand into communications, financial, and tourism centers in the region; and bureaucratic reform.

The Cabinet instructed all government agencies concerned to incorporate the strategies in the white paper into their policy and planning so that they will be focussed upon in development plans. The Joint Public/Private Sector Consultative Committee will be asked to publicize the strategies among members of the private sector. This is to encourage them to adopt the strategies as guidelines for production development, marketing, and technological and personnel development in the same direction as the public sector.

Cabinet Approves Insurance Liberalization Plan

BK1204031695 Bangkok THE NATION in English 12 Apr 95 p B1

[FBIS Transcribed Text] The Cabinet yesterday approved measures designed to liberalize the insurance industry in three stages. The first stage will allow Thai-owned companies to operate more insurance concerns. The second stage will lift the foreign shareholding limit of insurance companies from 25 to 49 per cent. The third stage will allow foreign companies to operate more insurance businesses in Thailand. Each application, however, has to be screened by the commerce ministry and endorsed by the Cabinet.

In addition to announcing the liberalization plan, the Cabinet approved seven recommendations made by the commerce ministry.

The seven requirements approved by the Cabinet are:

First, paid-up capital should be Bt [baht] 300 million for non-life insurance companies and Bt500 million for life insurance companies.

Second, applicants must have a cash deposit, or bank guarantee, for the amount set by the ministry.

Third, new companies are prohibited from selling their shares within three years of start-up. The companies can sell shares for development, however, the sale must not exceed 25 per cent of total shares.

Fourth, directors of the company must be reliable and management plans must be sound.

Fifth, applicants have to submit their request to establish a company within three months of the commerce ministry's announcement of start-up conditions.

Sixth, the commerce ministry is responsible for the creation of a committee to consider insurance company applications.

Finally, the commerce ministry can issue additional conditions, subject to approval by the Cabinet.

"Applicants who meet the seven requirements could be allowed to establish insurance businesses," said Deputy Commerce Minister Chaiyot Sasomsap.

Chaiyot said insurance liberalization will contribute to increased competition between insurance firms and customers will benefit as a result. Chaiyot added the insurance department will publish performance results of insurance firms every three months to promote the image of the insurance business.

Commerce Minister Comments

*BK1204035195 Bangkok BANGKOK POST in English
12 Apr 95 p 22*

[FBIS Transcribed Text] The insurance liberalisation plan approved by the Cabinet yesterday sets no limit on the number of new insurance licences that can be issued to Thai applicants when the next round begins three months from now.

Commerce Minister Uthai Phimchaichon said the industry will be fully open to foreign companies within 10 years, but amending the law will take some time. Consequently, foreign firms will not be allowed to begin entering the market for five years.

The Insurance Department's liberalisation package involves three stages, the first being the opening of applications from local investors within three months.

Applicants for new licences must have registered capital of at least 500 million baht for life insurance, 300 million baht for non-life insurance. They must also submit details of their expertise and management teams.

Those who are approved must start operations within three months of receiving a licence. They must post a bond equivalent to 15 percent of registered capital at all times.

To ensure that a licence holder is genuinely operating an insurance business, share transfers to outsiders are prohibited in the first three years of operation. Sales can only be made for the purposes of business improvement.

The Cabinet has also instructed Commerce Ministry to ensure that the management teams of new insurance companies differ from existing ones, and that the new operations should serve provincial areas.

In the second stage of the liberalisation plan, Mr Uthai said the 1992 Life and Non-Life Insurance Law will be amended to raise the foreign shareholding limit from 25 percent to 49 percent. The Cabinet has not set a deadline but the minister believes this should be achieved within five years.

The third stage—full liberalisation—will be carried out within 10 years, he said.

Further Details on Draft Alien Business Law

*BK1204005595 Bangkok SIAM POST in Thai
11 Apr 95 pp 17, 26*

[FBIS Translated Text] Akkharaphon Sorasuchat, spokesman for the Prime Minister's Office, told reporters that during its meeting on 10 April, the Council of Economic Ministers approved in principle the draft alien business law proposed by the committee in charge of amending the Revolutionary Council's announcements on economic affairs.

The draft legislation, he said, will be examined by the Office of Juridical Council before being submitted to the House of Representatives for deliberation.

Surakiat Sathianthai, chairman of the committee in charge of amending the Revolutionary Council announcements, said the draft bill was written in line with suggestions made by the Council of Economic Ministers at a meeting in April 1994.

The draft law classifies the derivative market, which deals in future financial instruments, as a business activity on List 2—a business in which Thai nationals will be able to compete with foreigners in the future. After the two-year protection period expires, it will be fully liberalized.

This clause is in accordance with the master plan for the development of the country's monetary system currently being worked out by the Bank of Thailand, the Securities Exchange Commission, and the Finance Ministry.

The committee in charge of amending the Revolutionary Council announcements has also proposed the appointment of a Bank of Thailand representative as a member of the committee in charge of receiving petitions from Thai and foreign entrepreneurs. The committee is chaired by the permanent secretary of the Commerce Ministry.

Surakiat disclosed that the draft bill also includes the business management service on List 2 because companies offering such services normally earn high service charges and can influence the businesses of their clients.

The new legislation also provides a new definition of the word alien without mentioning alien voting rights. There is, however, a provisional clause governing alien influence in businesses in the form of their voting rights. It is possible for aliens to dominate businesses by exercising their voting rights even though they may not hold more than half the shares of a company.

Therefore, from now on, approval from the commerce minister must be sought for any juristic entity to allow aliens to command more than half of their voting rights. This rule does not apply to companies that are already in operation before the new law comes into effect.

The draft law classifies business activities into two category lists:

List 1 comprises business activities as stipulated in Annex A and Annex B of the Revolutionary Council's Announcement No. 281. It is deemed necessary to preserve them for Thai nationals.

List 2 covers businesses in which Thai nationals will be able to compete in the future. A two-year protection period will be observed before they are opened for free competition.

A royal decree is required to allow aliens to do any business stipulated in List 1.

Aliens can apply for permission from the director general of the Trade Registration Department to do businesses in List 2. If it is necessary to extend the protection period, a royal decree must be issued.

A royal decree must be issued to classify new types of businesses. If a new business is classified as List 2, the two-year protection period must be observed.

A public hearing must be made to classify new businesses or to make any change regarding the protection period as stipulated in Article 6, Paragraph 2 of the draft law.

Penalties under the new law will be increased from 30,000-500,000 baht to 50,000-5 million baht for violations of Article 5. The fine for an alien who operates a business after the revocation of his or her permit is increased from 30,000-500,000 to 50,000-5 million baht.

Fines for a Thai national acting as a proxy for aliens to do business without official permission or holding shares in companies on behalf of aliens are also increased from 30,000-50,000 to 50,000 to 5 million baht.

Academic Views Benefits

*BK1204033595 Bangkok BANGKOK POST in English
12 Apr 95 p 3*

[FBIS Transcribed Text] Monday's decision by the Council of Economic Ministers to amend the foreign business law was a major overhaul which would benefit the country in the long run, academic Surakiat Sathian-thai said yesterday.

Mr Surakiat, dean of Chulalongkon University's Law Faculty, is also chairman of a government committee to amend economic aspects in Revolutionary Council announcement number 281. The announcement sets limitations on careers and professions to be reserved for Thai citizens. He said the announcement also divided business into three sections with varying degrees of restriction.

It has not been revised since its inception in 1972 and would pose difficulties for economic developments in the country if the obsolete announcement had not been amended to adapt to the changing business world, he said.

Mr Surakiat said the private sector should not be frightened over the amendment of the foreign business law which would ease restrictions on foreign businesses in Thailand, saying the amendment was not aimed at hurting the private business sector. He said foreign businesses in Thailand were formerly controlled under strict guidelines which prohibited alien juristic persons from expanding their branch in the country. They are also not allowed to have more than one-third of the total shares of another company.

"All these restrictions will be abolished under the amended law," said Mr Surakiat. "Trade liberalisation is the aim of the amended law which is no doubt of benefit to public consumers and will help create a new image for our country."

He said many service sector professions, including architecture, legal advisers, accountancy and construction, barred foreigners under announcement 281, but will be opened to foreigners two years after the amended law gets final approval from Parliament.

He urged the public not to be confused over changes in the Business Law for Foreigners Bill, as it directly deals with businesses of foreigners in the country.

He said one should not be misled to understand that foreigners would be allowed under the amended law to work in Thailand freely as lawyers or architects.

"We still have another law dealing with foreigners who want to apply for work in the country. They are not related," said the 37-year-old dean.

The amended law has been forwarded to the Council of State to correct any legal loopholes before being sent to the Cabinet. Parliament would give final approval.

Under the amended law, businesses related to Thai culture and its way of life such as milling rice, farming, antique dealers, sculptures or the moulding of Buddha statues would be reserved for Thais.

Changes relate mainly to the service and commercial sectors. He said a number of people had voiced concern over moves to allow foreigners to run businesses in accountancy, legal services, investment advisory and architecture.

"Formerly these kind of businesses had been reserved only for Thais but under the new law it would be opened to foreigners. It should be opened to competition," said Mr Surakiat.

Mr Surakiat said in the amended law it was the first time Thai law has committed itself to public hearing, saying the private sector could voice concern over the matter to the "Business Law for Foreigners Committee" chaired by the permanent secretary for commerce.

The committee could then make a study and call for the public to voice whether protection periods on some service sector professions should be extended.

He said if the public hearing's result was in favour of extending the protection period, a royal decree would be issued to extend it for another two years for some professions.

Mr Surakiat said he was optimistic the law will get final approval in the next House session scheduled for May.

Ministers Reject Commodity Futures Market Bill

*BK1104050895 Bangkok BANGKOK POST in English
11 Apr 95 p 15*

[FBIS Transcribed Text] The Council of Economic Ministers yesterday rejected the Commodity Futures Market Bill proposed by the Commerce Ministry, saying it involved sectors of the financial system now being supervised by the Finance Ministry. The Council returned the Bill for joint consideration by the Commerce and Finance ministries.

The ministries must now decide who will take charge of futures market system activities under the new legislation and resubmit the proposal to the Council in the next two weeks.

Though the Council agreed in principle that Thailand should have a futures market system to keep commodity prices stable, it rejected the Bill because it was worried about how having four separately run sectors of the futures market—commodity futures, interest rate futures, SET [Stock Exchange of Thailand] index futures and foreign exchange rate futures—might affect the economy.

The Council would like the markets to take the same direction regardless of which ministry eventually supervises them.

Any measures decided on must simultaneously regulate all the futures markets, said Government Spokesman Akkharaphon Sorasuchat. He said the Bank of Thailand wanted the futures and derivatives markets to be considered simultaneously because the Finance Ministry was going to establish the derivatives market.

The Finance Ministry has argued that the commodity futures market should be the Finance Ministry's responsibility because it involves the financial system and derivatives.

However, Deputy Commerce Minister Chaiyot Sasomsap suggested that the commodity futures market could help solve the problem of turbulent crop prices. This issue was the Commerce Ministry's responsibility, he said.

Meanwhile, Deputy Prime Minister Suphachai Phantachaphak proposed that a new agency be set up to oversee the market. That agency should report directly to the Finance Ministry, he said.

Neither Dr Suphachai nor Finance Minister Tharin Nimmanhemin attended the Council's meeting. However, Mr Tharin said yesterday that the commodity

futures market was considered part of the financial market. He said the Finance Ministry wanted to oversee the establishment of the market and to control it. That way, markets would not be hurt by too much speculation and would benefit Thailand, especially its farmers.

Central Bank Predicts Sustained Economic Growth

*BK1104085395 Bangkok BANGKOK POST in English
11 Apr 95 p 16*

[First paragraph is BANGKOK POST introduction]

[FBIS Transcribed Text] The cautious monetary policies of 1994 are continuing into this year as the emphasis is on ensuring stability in the fast-growing Thai economy, the Bangkok of Thailand says.

The world economic outlook is expected to remain favourable to Thailand's economic performance in 1995 with world growth expected to accelerate further to 3.6 percent, led by a firmer recovery in Japan and the European Union.

The formerly centrally planned economies, e.g. Central Europe and Russia which have suffered output contraction during the past five years, are expected to perform more favourably while developing economies are expected to grow at 5.6 percent, led by the strong performance of countries in the Asia-Pacific region.

The growth of the economy in the US, Thailand's major export market, is expected to slow to 2.5 percent on account of expected tightening of monetary policy. Nevertheless the prospect of the US withdrawing Thailand from its Priority Watch List should be a positive factor for Thailand's exports.

The inception of the World Trade Organisation [WTO] should see world trade continuing to expand favourably by 5.9 percent. Oil prices should remain stable, rising marginally by about 3.5 percent while the increase in agricultural prices should moderate as world supply returns to normal levels. In addition, foreign interest rates will continue on the rising trend on account of the tightening monetary policies in the industrial economies.

The Thai economy is expected to grow further by 8.5 percent, led by exports and private domestic expenditure. Anticipated favourable factors include:

(1) Continued expansion in the world economy and world trade; (2) favourable agricultural production on account of high water reserves for irrigation of dry-season crops; (3) acceleration in domestic investment, particularly from large investment projects, and from investments to expand industrial productive capacities linked to the already implemented tariff adjustments and rural investment promotion policies; (4) the rise in government and state enterprise wages and salaries that

will stimulate expenditure and savings; and (5) continued confidence in the economy with its high growth, strong economic fundamentals and export potential.

These factors should help stimulate the domestic economy and help attract foreign investments into Thailand. On the other hand, constraints on growth in 1995 will likely include: (1) rising foreign interest rates and the expected slowdown in the US economy, (2) shortages of labour, insufficient productive capacity in some industries as well as some infrastructural limitations; and (3) a more cautious stance of monetary policy to contain the rise in domestic expenditure within the economy's productive capacity to maintain economic stability.

In 1995, domestic expenditure is expected to grow by 9.2 percent, led by private consumption and investment. Although private consumption growth is expected to slow somewhat to 8.2 percent in line with the expected moderation in farm incomes, and incomes of the export sector, the overall domestic pressure should remain strong on the back of some 39.8-billion-baht rise in government and state enterprise wages and salaries.

Private investment is expected to accelerate to 10.6 percent, supported by an increase in investments in large-scale projects, expansion in industrial productive capacity and the expected rebound in foreign investments. Besides, construction activities are set to expand while rural investment accelerates.

For the public sector, government consumption will also pick up, mirroring the increase in expenditure in the national and local government budgets. The growth of government investments will slow somewhat from 1994 although the overall rate of increase is still quite high.

The world trade situation should remain favourable with the establishment of the WTO under GATT. With a firmer world economic recovery, exports are expected to expand by 16.5 percent notwithstanding the slowdown in the economies of Thailand's major trading partners and world agricultural prices.

Imports should moderate marginally from 1994. Consumer goods imports in particular should slow while capital goods imports accelerate with investments, especially in government-concessioned projects and investments in rural areas.

For 1995, the trade deficit is expected to rise slightly. This together with a stable services and transfer, account, should result in a marginally larger current account deficit in absolute terms, but declining as a percentage of GDP [Gross Domestic Product] to 5.8 percent. With the capital account continuing to play an important role in the Thai economy, especially in the financing of the deficit, the balance of payments is expected to register another surplus in 1995.

The rapid growth in demand for goods and services is expected to sustain domestic production in 1995. Agriculture is expected to grow by 3.4 percent on account of

ample water reserves in the important Phumiphon and Sirikit dams at end-1994 to support production in the dry season, especially for rice. This ample water reserve should compensate for any sporadic interruptions of rainfall that may arise during the cropping season, while high agricultural prices of 1994 should stimulate crop production.

Overall, crop production is expected to grow by 3.5 percent, reflecting good performance of the second rice crop, sugarcane, tapioca and rubber.

The fishery is expected to grow by 4.9 percent with salt-water shrimp farming expanding in response to favourable prices. The livestock sector is expected to expand further, led by cattle, egg and milk production. Forestry outputs, however, are expected to continue to decline.

Industrial production is set to expand by 11.5 percent, led by food processing especially sugar, motor vehicles particularly commercial ones, and some export industries, e.g. electronics, plastic products, jewellery, computers and parts.

Other non-agricultural sectors should expand satisfactorily with a strong performance of the construction sector led by private construction activities. The output of services, tourism, communication and transports, as well as electricity and water supply should expand in line with other sectors. Trade, on the other hand, should stabilise, while the mining and banking sectors would slow somewhat.

Continued economic expansion should keep price levels rising at a rate close to that of 1994. While the pressure on the cost side and domestic demand are expected to be greater this year, the moderation in agricultural prices should work to ease overall price pressure. The consumer price index is expected to rise by 4.8 percent with the wholesale price index increasing by 3.6 percent.

Fiscal and monetary policies: In light of the expected rapid expansion for the third consecutive year, fiscal and monetary policy will need to focus more on stability.

Given the already high level of resource utilisation—both in terms of productive capacity and labour—monetary and fiscal policy will need to ensure that domestic expenditure grows in line with the economy's productive capacity.

In this respect, the cautious monetary policy stance of 1994 will continue in 1995 to contain inflationary pressure and ensure an efficient allocation of financial resources.

In addition the authorities will continue with measures to further strengthen the solvency and the efficiency of financial institutions in order to enable them to better cope with the pressure of competition which is expected to intensify further in 1995.

Priority will also be given to private savings mobilisation, especially household savings to support the expansion of investment in the medium term.

In fiscal 1995, the fiscal position is expected to remain in surplus, a development that will be consistent with the aim of containing the overall increase in domestic expenditure. Nevertheless, the amount of the surplus is expected to decline marginally, partly as a result of continued tax restructuring particularly import tariffs.

The financial system is expected to come under stronger pressure of competition with commercial banks increasing their emphasis on deposit mobilisation other than foreign borrowings.

In addition, consistent with the authorities' financial liberalisation policy, the scope of operations of financial institutions will become more overlapped under the new and more dynamic environment. Hence, competition in the provision of financial services will intensify, stimulated by an increased role of commercial banks in the debt market, the introduction of finance companies' lending offices in the rural areas, and the Government's rural development financing policy.

Editorial Says Stable Trading Currency Needed

*BK1204063895 Bangkok BUSINESS DAY in English
12 Apr 95 p 4*

[Editorial: "International Summit Needed on Currency"]

[FBIS Transcribed Text] There is a need for a world summit on the most pressing issue in international trade and finance: establishing a system which will ensure a stable currency for trading among nations for use as international reserves.

Over the past many years, the decline of the dollar has caused the international community to clearly see the need for a stable international currency. The events of the last few months have brought forth a sense of emergency. Not surprisingly, the finger of blame has been pointed in every direction. The US has been blamed for allowing both the federal budget and trade deficits to deepen; the Japanese are accused of not doing enough in terms of adjusting the discount rate and opening up their markets to foreign competition, and even the G7 group of industrialized nations has recently taken hits for its failure to come up with a workable solution.

Placing blame is easy to do, but the time has come for constructive solutions.

There is a foundation on which the search for solutions can begin. Most nations agree on the fundamental characteristics of the 'ideal' currency. First: the currency must be stable in value. Stability is required in order to reduce or eliminate exchange rate risks in international transactions. Traders in goods and services are not in the business of currency speculation, and so a stable currency would eliminate a major concern. Second: the

international currency must exist in sufficient quantity to serve as a "medium of exchange" for a world in which the supply of the currency must keep up with the ever-growing demand. As world trade expands, this "medium of exchange" function will become increasingly important. Third: the currency chosen must be free of economic and political interference. This is a particularly daunting challenge, for if any of the existing national currencies is used, political and economic interference are inevitable to some degree.

The present dependence on the dollar has become a problem because the dollar has not been able to meet the 'store of value' requirement of the ideal international currency. In addition, the US has been assertive in implementing its policies to devalue the dollar against the yen and the Deutsche-mark, and so the element of economic and political interference is clearly evident.

And the reluctance of Japan and Germany to put forth their currencies in sufficient quantities to meet the requirements for trade and for international reserves is a major stumbling block.

What dangers lie in further postponing the search for a solution?

The East Asian economies which have been trading in dollars are already experiencing drastic reductions in profitability. Profit margins in international trade are razor-thin to begin with, and further erosion could derail export-driven growth for these economies. The problem, however, is world-wide and that is why a meeting at the highest level is urgently needed. The trading nations of the world need to get together with the aim of developing a stable international currency.

Chamlong Interviewed on Coalition Politics

*BK1204004295 Bangkok THE NATION in English
11 Apr 95 p A6*

[Interview with Chamlong Simuang, deputy prime minister and leader of the Phalang Tham Party, by Ratanawali Mahaphonsirikun; place, date not given]

[FBIS Transcribed Text] The Phalang Tham Party [PDP] does not appear to hold a clear-cut position on which way it will vote during the no-confidence motion next month. Many observers say this is an attempt by the party to buy time. Will the PDP withhold its support for the Chuan's government?

The PDP is not buying time. We simply want to give the issue broad consideration before May. And we do not want to appear peevish. The most important thing to consider is the fact that the PDP co-wrote the policy with our coalition partners. We must give this fact consideration and we must maintain political decorum. The PDP will act appropriately. We are not seeking votes, nor are we aiming to inflict further damage to the image of the Democrats.

Could you please define the "co-responsibility" you are implying the PDP should take for the land reform issue?

The PDP has yet to call a meeting to give this issue careful consideration.

Speculation is rife that the PDP will support the government during the censure motion even if it means going against what the public perceives as appropriate. Is this what will happen?

Speculation about how the PDP will vote has abounded. The PDP has always managed to deliver its support for the government on a number of issues. As for the So Po Ko 4-01 land reform controversy, the PDP is taking a wait-and-see attitude and feels the need to give the government time to sort things out.

What is your reaction to reports that Chat Phatthana leader Gen Chatchai Chunhawan wants to form a new coalition government, comprising the three largest parties in the House—the Democrats, Chat Thai and Chat Phatthana—with a view to improving the stability of the government?

The PDP is not swayed by that proposal and is not concerned about how many parties the government may take into its coalition. We are content with the responsibility of overseeing Bangkok's elevated train project but we will not turn a blind eye to any mishandling of the land reform controversy.

Is the evidence of irregularities in the land reform programme strong enough to enable your party to make a decision now on whether to support the government in the censure debate?

I don't know. As a coalition partner we cannot speculate. There has been a suggestion that the government should publish a list of So Po Ko 4-01 title recipients nationwide. The list should be made available to the public. The process of revoking the titles of recipients who are judged to be ineligible under the criteria established by the Juridical Council should be fast-tracked. And this should be reported to the public periodically.

Deputy Agriculture Minister Churin Laksanawisit stated that the suggestion to publicize the recipients' list amounts to pressing the government's hand and that any such suggestion should be made during a Cabinet meeting.

This suggestion is not the PDP's and we are not pressurizing the government.

There have been reports that some of the PDP executive members who are not in the Cabinet have suggested the PDP should leave the coalition. Is that correct?

No such proposal has been made.

Can you disclose whether the PDP will withdraw from this government?

We do have a clear position on this but we cannot discuss this matter for the time being. It would be rash to talk about it now.

Since there is only one month to go before the House of Representatives reconvenes in May, do you expect anything politically significant to occur before then?

Anything could happen.

Is it accurate to say the PDP is not interested in clinging to power, but simply acts in accordance with its principles?

That's correct, we adhere to what is proper and what is just.

Therefore, it must follow that if there is evidence to indicate the government has been in the wrong, then the PDP must leave the government to conform with its principles, right?

That depends on the party caucus.

Is it true that ever since you and the other party executives joined the Chuan Cabinet, you have been compromised more?

My position has never changed, since I joined the Cabinet.

Has your stance on gubernatorial elections changed or been compromised?

Our position remains unchanged.

You took over as deputy prime minister in November last year. How would you grade your performance so far?

I can't grade myself. You'd better ask other people to evaluate my performance. But I would like to say that since I have also been the Bangkok governor some people tend to compare my performance then with my present job. However, this cannot be done as both posts are very different. As deputy prime minister, I have to work as a member of a committee. I'm not directly responsible for any projects. I chair several committees, but I have no authority to direct the committee's projects in any way. It's very different from being the Bangkok governor, when I had a lot of authority. When I was governor, I could call a meeting whenever I came up with a new project. Then if my co-workers agreed with my idea, we would immediately put the project into action.

There is criticism that although all the PDP Cabinet members were changed, the new ministers have not come up to expectations. Do you think that is true?

I don't think it's true. But if we say anything about our performance, we'll be seen as being outspoken by other people.

People have said that after the reshuffle no noticeable achievements have been seen.

That's not true, but people can say what they want.

What project are you working on?

I have my duties that go with my authority, and that is to coordinate with the agencies concerned and sometimes give them suggestions.

Currently, does the Phalang Tham have any large projects going that will stick in the public's mind?

We don't want the PDP to be so distinctive. We just want to work for the people.

What are the projects your party is pushing for that will benefit the public?

We're working on such projects, but we can't be too hopeful as we're not the main party in the Cabinet. If we led the government, we would be able to carry out a lot more work. All we can do now is propose ideas to the government. If they (the main coalition party) agree with our ideas, then we can implement them. If they disagree, our ideas are simply scrapped. These are the limitations.

What are the projects your have proposed to the government?

They are several of them. By the way, they are not construction projects that are highly visible. One such proposal is a telecommunications project. This is the reason we invited Dr Wichit Suraphongchai (the communications minister) to join the Cabinet. It is aimed at helping the government's telecommunications projects become more systematic. Dr Wichit has systematized projects within the Communications Ministry before proposing them to the Cabinet as part of a telecommunications master plan. The master plan separates the service side from the controlling side. This improves the administration of such a system.

Another proposed project is about public enterprises within the Communications Ministry. These days public enterprises tend to be getting worse. They can't grow because there is no flexibility in their operations. They should be privatized, particularly telephone systems and other types of communications. Privatized firms would become more flexible in their operations and this country needs a free market in telecommunications. We believe privatization is moving in the right direction. Although, presently it's not moving quickly, in the next three or four months the privatization bill will be approved. Our plan is not perfect but it's better than doing nothing.

Why is PDP letting Khun Wichit handle most of the significant projects?

Because Khun Wichit is the communications minister who oversees a wider range of work than most other ministries. Apart from the interior, communications is responsible for managing the most jobs. Regarding my duties, I do the work I'm assigned to do. I just have to do my best. For me, I feel I'm luckier than other ministers as I can dedicate most of my time to whatever job I'm

working on. I arrive at my office at 6 am and occasionally leave at 8 pm. I have no other concerns.

Why didn't you take the communications portfolio yourself when the PDP reshuffled Cabinet members? If you were the communications minister, you would have authority to directly control the ministry's operations.

Now that's interesting. It would be funny if any PDP members were made deputy prime minister while the party leader only became a minister. The public then might wonder why I wanted to be communications minister.

Since the reshuffle and the internal problems your party has suffered, have you tried to find out what the party's popularity is like in Bangkok?

I want to tell you something. We didn't join the Cabinet to increase our popularity. We joined to work for the public. Thus, we don't care about our popularity. Even though the public might misunderstand us, we have to continue working.

Some people have the view that the Phalang Tham, so far, have not achieved very much.

It's hard to achieve anything if you are not the main coalition party. The projects we work on are not publicized as much. Sometimes we give prior information to the media about our projects, but the media doesn't seem to pay much attention. The part of the media that is not covering news at the Government spokesman's office only pay attention to political conflicts. They don't care about the tasks we perform. So how are we to publicize our performance? We did not set up this party to destroy others. We set up this party to work. Public misunderstanding sometimes is unavoidable. But whatever happens we will keep on working.

Public misunderstanding could affect election outcome.

That's true. But what worries me more is voters' unchanged behaviour on the voting day. There are two types of Phalang Tham supporters who could have helped us more but their behaviour has in fact had adverse effects on us. The first are our supporters who are poor. They support us every day but on the election day they sell their votes because of their economic hardship. The second group is the silent middle class who rarely go to polling stations for whatever reasons. So their support for us, as long as it is not transformed into votes, cannot influence the election outcome.

Will Thaksin Chinnawat and Dr Wichit Suraphongchai run in the next general election under PDP's banner?

We don't force outsiders to make commitment to us. It depends on each individual. If they want to join us, they will have to do so willingly, not reluctantly. To put it simply, it's up to them.

What's your comment on suggestion that Phalang Tham's peak has passed?

I don't think the party is in decline. But we still can't find a way to stimulate the silent middle class. Judging from the time we have been around, I wonder which other parties could have made similar achievements? We started from zero but now we have considerable MPs in Parliament, dominate the Bangkok assembly and have local representatives.

Vietnam

U.S. Senator McCain on Official Visit

MIA Remains Handed Over

*BK1104123295 Hanoi Voice of Vietnam in English
1000 GMT 11 Apr 95*

[FBIS Transcribed Text] The United States has sent home more remains of servicemen killed in the Vietnam War after a ceremony held in Hanoi on Tuesday [11 April].

According to REUTER News Agency, Senator John McCain, a Navy pilot who was shot down over Hanoi during the war and spent five years as a prisoner of war, will attend [as heard] the ceremony at Noi Bai International Airport.

The remains to be sent back for forensic examination at military laboratories in Hawaii—in the second repatriation this year—were found on the recent field search by joint U.S.-Vietnamese team or were handed in by villagers.

Received by Various Leaders

*BK1204004195 Hanoi VNA in English 1504 GMT
11 Apr 95*

[FBIS Transcribed Text] Hanoi VNA April 11—President Le Duc Anh and National Assembly Chairman Nong Duc Manh received here today on separate occasions Senator John McCain, senior member of the Republican Party of the United States, now on a visit to Vietnam.

Speaking to President Le Duc Anh, Senator John McCain expressed his pleasure at Vietnam's economic achievements in its renovation process and his thanks for the positive cooperation of the Vietnamese Government and people in searching for American servicemen missing in action during the war. He expressed his belief that the mutually beneficial cooperation between the two countries would continue developing well.

For his part, President Le Duc Anh highly appreciated Senator John McCain and his party's cooperation with Vietnam in searching for Vietnamese and American servicemen missing in action. President Anh said that the Vietnamese Government and people have done their utmost to push up their cooperation in this field, thus contributing to further promotion of the relations and

cooperation between the two peoples in the interest of each nation, and for peace, stability and development in each region.

While receiving U.S. Senator John McCain, National Assembly Chairman Nong Duc Manh highly appreciated his contribution to the implementation of diplomatic relations between the two countries. Mr. Manh also extended thanks to his wife for her assistance to Vietnam in public health field over the past time. Mr. Manh expressed his confidence that the prospects of the relations between the two countries would lead to a new step of development.

Chairman Manh and the senator compared notes on issues of common concern, hoping that the cooperative ties between the two legislatures as well as their commissions together with groups of parliamentarians would be promoted.

[Words indistinct] delegation scheduled to pay working visit to the port city of Haiphong and make [words indistinct] the imperial city of Hue in April 12-13. They will leave Vietnam for Cambodia on April 14.

Radio Comments on McCain's Visit

*BK1204142595 Hanoi Voice of Vietnam in English
1000 GMT 12 Apr 95*

[Station commentary]

[FBIS Transcribed Text] President Le Duc Anh and National Assembly Chairman Nong Duc Manh received in Hanoi on Tuesday [11 April] on separate occasions Senator John McCain, a senior member of Republican Party of the United States, now on a visit to Vietnam. Our editor has more details.

It is the first visit to Vietnam by a high-ranking U.S. congressman since Vietnam and the United States officially unveiled their liaison offices in their respective country. This event signifies a further development in the process of normalization of bilateral Vietnam-U.S. relations. One of the senator's activities during his stay in Vietnam was witnessing a hand-over ceremony of remains believed to be of U.S. servicemen missing in action.

Speaking on the occasion, Senator McCain said Washington should establish full diplomatic relations with Vietnam this year. He said the latest hand-over of remains bears truth of the effective cooperation between the two governments in dealing with the matter. So far 20 joint U.S.-Vietnam searches have been conducted. Vietnam has handed over to the U.S. side more than 550 sets of remains of the American G.I.'s accounted as missing during the Vietnam War.

Vietnam always sees the settlement of the MIA issue as humanitarian issue, and therefore has conducted unilateral searches before joint efforts were made. The Vietnamese Government's humanitarianism and goodwill have been acclaimed by Washington and different groups of Americans.

During his courtesy visit to President Le Duc Anh and National Assembly Nong Duc Manh, Senator John McCain thanked the Vietnamese Government and people for their effort in searching for U.S. MIA soldiers, and expressed U.S. war veterans' goodwill in searching for Vietnamese MIA soldiers. But at present, the MIA issue is imposing only a minor obstacle in the normalization of the relations between Vietnam and the United States. There are indications that the obstacle will soon be removed to facilitate the process of normalization in the interest of both countries.

Party Leader Do Muoi on Official Visit to ROK

Welcomed by Foreign Minister

BK1104144395 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 11 Apr 95

[Telephone report by station correspondent Dao Nguyen from Seoul]

[FBIS Translated Text] Dear friends, at the invitation of His Excellency Kim Yong-sam, president of the Republic of Korea [ROK] and chairman of the ruling Democratic Liberal Party [DLP], party General Secretary Do Muoi this afternoon, 11 April, arrived in Seoul to begin his official friendship visit to the ROK.

Accompanying General Secretary Do Muoi on the trip were Comrades Nguyen Manh Cam, member of the party Central Committee Political Bureau and minister of foreign affairs; Hong Ha, member of party Central Committee; Tran Duc Luong, deputy prime minister; and other comrades and 30 businessmen from such sectors as oil and gas, steel, cement, silk, and leather products.

Seeing the party general secretary off at the Noi Bai International Airport in Hanoi this morning were representatives from the ROK Embassy in Vietnam. While the plane carrying the general secretary was passing through the airspace of China, Comrade Do Muoi sent greeting messages to Comrade Jiang Zemin, general secretary of the Communist Party of China and Comrade Li Peng, prime minister of China.

At 1500, the plane carrying Comrade Do Muoi and his entourage landed at the Seoul airport.

On hand to welcome Comrade Do Muoi at the airport were His Excellency Kong No-myong, ROK foreign minister; His Excellency Pak Chong-su, chairman of the Globalization Promotion Committee of the DLP; and many high-ranking officials of the DLP.

The welcoming ceremony was organized in the most solemn manner.

Meets With DLP Leaders

BK1204112595 Hanoi Voice of Vietnam Network in Vietnamese 2300 GMT 11 Apr 95

[Report by Dao Nguyen]

[FBIS Translated Excerpt] Dear friends, On the afternoon of 11 April, General Secretary Do Muoi and the comrades accompanying him visited the Office of the Democratic Liberal Party [DLP], the ruling party of the Republic of Korea. His Excellency Yi Chun-ku, DLP chairman, and other party leaders welcomed the Vietnamese party general secretary.

Do Muoi spoke of Vietnam's desire to turn itself into a prosperous country at an early date, make its people powerful, bring about justice and civilization in society, and befriend all countries. He expressed his hope that the ROK experiences and scientific potential would greatly contribute to turning that desire into a reality. Yi Chun-ku shared Do Muoi's views and said that after several decades of war, Vietnam has succeeded in its socioeconomic reform program, and that Vietnam would certainly make greater achievements because the Vietnamese people are hardworking and intelligent and because Vietnam is adopting a correct renovation line. He added that there were many similarities between the ROK and Vietnam, and that the ROK would continue to cooperate with Vietnam on the principle of mutual benefit.

Dear friends, yesterday evening Yi Chun-ku gave a reception honoring Do Muoi and the comrades accompanying him. In his welcoming speech, Yi Chun-ku once again highly valued the renovation line of the Communist Party of Vietnam [CPV] and maintained that even though bilateral relations officially began only three years ago, there has been quick progress in promoting friendly and cooperative ties. The ROK is carrying on its reform program, and this is further proof of the similarities between the two countries. The ROK has shared its experiences with Vietnam and will continue to do so in the framework of its cooperation program. He added that Do Muoi's visit to the ROK is a vivid manifestation of that trend.

In his reply speech, Do Muoi said emphatically that his forthcoming talks with DLP leaders would contribute to bringing Vietnam-ROK relations to a higher level of development. Do Muoi said:

[Begin Do Muoi recording] Ladies and gentlemen: Thanks to the results of the renovation undertaking and the foreign policy of independence, openness, diversification, and multilateralization based on Vietnam's desire to befriend all countries in the world, our country is gradually participating in more international activities, which have brought prospects and great possibilities for vigorous development of relations with other countries, including the ROK, which is now the third-ranking trade partner with and investor in Vietnam. It is certain that with its abundant, disciplined, hardworking, and skilled workers, relatively rich natural resources, and open-door policy toward foreign investors, Vietnam will become an important trade partner for the ROK. It is our hope that with its economic potential and economic and technological expertise, the ROK will make a positive contribution to the cause of modernization and

industrialization in Vietnam for the interests of people in both countries, help close the past and look toward the future, and open a new era for the development of friendly and cooperative ties between the two countries and the promotion of peace, stability, cooperation, and development in the region.

With a firm belief in the fine traditions of the two countries, I would like to propose a toast to the constant development and consolidation of friendship and cooperation between the two parties and nations, to the prosperity of Vietnam and the ROK, and to the health of Yi Chun-ku and all of you here. [end recording]

Dear friends, also yesterday evening at the Hotel Silla Hotel assembly hall, which was named after a royal dynasty that helped unify divided feudal forces on the Korean peninsula more than five centuries ago, Do Muoi met with representatives of social organizations who came to greet him. Present were Mr. (Yi Chung-pun), a 32d generation descendant of Korean Prince (Yi Yong-tong) and His Excellency (Pu Chae-hyok), president of the ROK-Vietnam Friendship Association.

Do Muoi cordially chatted with these representatives and expressed his hope that they can continue to promote friendly and cooperative ties between the Korean and Vietnamese peoples. (Pu Chae-hyok) said that the ROK has been affected by drought for several months now. Nonetheless, it rained yesterday at the very moment when Do Muoi arrived for a visit. This was very good for the ROK. [passage omitted on interview with Korean professor of Vietnamese language]

NHAN DAN Editorial Welcomes Visit

BK1204004895 Hanoi Voice of Vietnam Network in Vietnamese 2300 GMT 10 Apr 95

[Editorial from 11 April NHAN DAN: "New Progress in Vietnam-ROK Friendship and Cooperation"]

[FBIS Translated Text] Party General Secretary Do Muoi arrives in Seoul today to begin an official visit to the Republic of Korea at the invitation of President Kim Yong-sam, chairman of the Democratic Liberal Party.

The first official visit to the ROK by the top Vietnamese leader marks an important step in the development of Vietnam-ROK relations. Established more than two years ago, Vietnam-ROK relations have developed rapidly on the basis of the principles of respect for each other's independence and sovereignty, cooperation, equality, and mutual benefit. The exchange of visits by high-ranking and other official delegations between the two nations has contributed to strengthening mutual understanding and trust and creating the conditions for formulating orientations and measures aimed at accelerating relations in various domains between Vietnam and the ROK.

Economic cooperation between the two countries has developed rapidly and firmly, with agreements signed

between the two sides on investment encouragement and protection, trade, aviation, double taxation avoidance, and customs cooperation. As Asian nations, Vietnam and the ROK have many similarities and wish to promote cooperation in the interest of the two peoples. Both sides agree that great potential remains for them to cooperate and support each other in socioeconomic development programs for each country's prosperity.

In this context, the official visit to the ROK by party General Secretary Do Muoi is of great significance, marking new progress in the development of friendship and cooperation between the two countries. We are convinced that this visit will be a great success, thereby contributing positively to strengthening mutual understanding between the two peoples; enhancing relations between the two ruling parties; and developing friendship and cooperation between Vietnam and the ROK for the cause of prosperity in each nation and for peace, stability, cooperation, and development in the region and the world.

New Friendship Treaty With Russia Ratified

BK1204065995 Hanoi VNA in English 0645 GMT 12 Apr 95

[FBIS Transcribed Text] Hanoi VNA April 12—A document-exchanging ceremony was held on Tuesday to ratify the new friendship treaty between Vietnam and the Russian Federation.

The treaty, signed by Vietnamese Prime Minister Vo Van Kiet and his Russian counterpart Viktor Chernomyrdin in June last year, was formally approved by the Vietnamese National Assembly and the Russian Duma.

Vietnamese Vice-Foreign Minister Nguyen Di Nien and the Russian Ambassador Extraordinary and Plenipotentiary R. Khamidoulin carried out the official exchange.

This treaty will replace the previous friendship agreement signed between Vietnam and the former Soviet Union, and should serve as a new basis for Vietnam-Russia relations.

Both sides proclaimed the significance of the pact and expressed their commitment to strictly obey its provisions in a bid to further strengthen and develop existing relations via peace, stability and progress.

Deputy Foreign Minister Visits Israel, Egypt

BK1204004595 Hanoi Voice of Vietnam Network in Vietnamese 2300 GMT 10 Apr 95

[FBIS Translated Text] Tran Quang Co, Vietnam's first deputy foreign minister, visited Jerusalem and Tel Aviv from 30 March to 3 April at the invitation of the Israeli Foreign Ministry to attend a conference under the theme: Foreign Affairs in the 21st Century. The conference was attended by representatives from 54 countries. During the visit, Deputy Foreign Minister Tran Quang Co held a working session with Mr. Uri Savir, secretary

general of the Israeli Foreign Ministry. He was cordially received by Israeli Prime Minister Rabin and Foreign Minister Shim'on Peres.

During his visit to Egypt from 4 to 9 April, Deputy Foreign Minister Tran Quang Co held talks with Ambassador 'Adil al-'Adawi, assistant to the Egyptian foreign minister in charge of Asian affairs, and other high-ranking Egyptian Foreign Ministry officials. He also met with Egyptian businessmen and visited a number of economic establishments and cultural and historical sites, the Sinai Peninsula, and the port city of Alexandria.

National Assembly Issues Communique No. 11

BK1104155995 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 11 Apr 95

[Communique No. 11 issued by the Office of the National Assembly on 11 April]

[FBIS Translated Text] This morning, 11 April, National Assembly deputies held group discussion on the 1994-95 tasks, the state budget, and other related reports.

In the afternoon, the National Assembly held a plenary session at the conference hall to discuss the draft law on organization of the administrative court. A total of 14 deputies presented their views focusing on the necessity to set up the administrative court in Vietnam, organization plans for the administrative court, trial power of the court, and role of the People's Organ of Control in reviewing administrative cases.

Tomorrow, the National Assembly will continue its work at the conference hall.

*** Country Said Building Information Networks**

95P30071

[FBIS Media Note] Summary: Computer experts in Vietnam have established several information networks for research, educational and business purposes, according to the Vietnamese press. The networks will also enable users to link up with the global Internet.

The 8 January Hanoi LAO DONG, citing TAP CHI DIEN TU VA TIN HOC (Electronics and Information Technology Magazine), reported that many government organizations are developing software to exchange information as a first step toward linking up with the global Internet.

The Information Technology Institute has been operating the VAR Net (Vietnam Academy Research and Education Network) since 1992 with funding and technical assistance from Australia National University. VAR Net enables users to exchange scientific research information. A wide variety of provincial and local government organizations as well as academic institutes are already using the new system, according to the 18 October 1994 Ho Chi Minh City TUOI TRE. The paper said that 20 organizations and units in Ho Chi Minh City

and Vinh Long Province had signed up to be connected to the VAR Net information computer network at the city's Information and Technology Institute and plan eventually to connect to the Internet. Among those who have signed up are 10 research organizations at Ho Chi Minh City's Center for Natural Sciences and National Sciences II; Ho Chi Minh City University; the Municipal Health Service; the Information Technology Center at the Municipal College of Economics; the Ho Chi Minh City Committee on Overseas Vietnamese; the Municipal Insurance Company; TUOI TRE newspaper; the Science, Technology, and Environment Office; and Vinh Long Province's Grain and Foodstuffs Company.

The 23 February LAO DONG reported that the network currently has about 150 regular customers and releases five news bulletins daily in both English and Vietnamese. It also provides the latest news on world and domestic activities in business and trade; commodities prices, especially import/export products; and product prices in domestic and international markets. In addition, the network has a data bank containing economic information, from which research can be done on line. The 8 January LAO DONG reported that since mid-1993, the Ministry of Trade's VINA Net (Vietnam Trade Information Network) has linked more than 30 provinces and cities throughout the country, enabling them to exchange economic data and information on various business services. Moreover, the Ministry of Science, Industry, and Environment is working with a group from UNISYS on a project called VARD Net. The project involves the transmission of Vietnamese data and information for the Vietnam Agricultural Bank. According to the Vietnamese press, a wide variety of government and academic organizations are establishing E-Mail services. The 8 January LAO DONG reported that the Posts and Telecommunications General Department, in cooperation with CSG-Hanoi (Hanoi Federation of Computer Software Engineering), has started the first phase of an E-Mail service linking 31 cities and provinces. In addition, the Special Spring issue of TUOI TRE reported that, with the assistance of the Federation of Computer Software Engineering, an E-Mail network was started last year at the Le Hong Phong vocational high school in Ho Chi Minh City. The E-Mail network at the school is used mainly to exchange information on teaching chemistry with universities in Australia and Norway.

The Vietnamese press reported that several organizations are using connections in other countries to gain access to the Internet. According to the Special Spring issue of TUOI TRE, Ho Chi Minh City Polytechnic College has organized its own computer network and reached an agreement with Australia's Queensland University in Brisbane to use the latter's Internet address as an Australian's 'gateway' to Vietnam for information exchange. Moreover, Ho Chi Minh City University plans to link itself to the Internet in similar fashion, via 'gateways' in Australia and Canada. According to the Special Spring issue of TUOI TRE, the Ho Chi Minh City Post Office will expand its business computer

network and E-Mail services for customers, and in the meantime, make connections with the post offices in Hanoi and Ba Ria-Vung Tau Province. Eventually, according to TUOI TRE, this network will be connected with the Internet through Thailand, with the assistance of Assumption University in Bangkok.

Trade Minister Discusses Administrative Reform

BK0804143695 Hanoi NHAN DAN in Vietnamese
23 Mar 95 pp 1, 2

[Interview with Trade Minister Le Van Triet by unidentified NHAN DAN correspondent—place and date not given]

[FBIS Translated Text] [NHAN DAN] Dear Minister, there have been some improvements in administrative procedures in the import and export fields. Producers and businessmen, however, still think that there are many inconveniences and unreasonable actions such as permission for the import and export of some commodities has been granted to only certain organizations. Is this because we have to adopt administrative measures to compensate for a lack of economic measures?

[Le Van Triet] First of all, we have to fully understand the party's line before implementing it in the two issues of the building and perfecting of the state mechanism, and administrative reform. These issues constitute a great and complicated undertaking which requires a uniform solution from the bottom to the top, not a temporary measure for every particular problem. As clearly outlined by the party Central Committee resolution, first we must continue to reform the organization and activity of the state mechanism and perfect it to make our government a government of the people, by the people, and for the people; the people's rights to mastery must be implemented together with the strict maintenance of social disciplines; and the state must manage economic activities by law. Second, we must reform our administrative procedures in one fundamental step, both in procedures for the introduction of legal documents and in the organization for the execution of administrative regulations.

We have improved some structures, policies, and procedures of our administrative system in past years, especially in 1994. Nevertheless, we still have to do better than that under the spirit of the party and state's current line, policy, and direction to create favorable conditions for all enterprises to conduct their business, eliminate all embarrassing and inconvenient regulations, prevent loopholes and arbitrariness in state management, and at the same time, not to let economic and social activities uncontrollably benefit certain groups and individuals—which will cause market disorder and damage the public interest.

At present, there are 1,200 local enterprises and a similar number of foreign invested companies engaging in

import and export. Altogether, more than 2,000 enterprises are engaged in import-export activities while our resource of goods for export is not great. Therefore, the issue here is that we must ensure that all import-export organizations must attach themselves to producers, realize their responsibility in helping to increase production, and show their loyalty to producers when the market price fluctuates. Looking to foreign markets, we know that no nation allows all of its businessmen to compete with one another in buying and selling without proper control. When we compete in buying, we will have to pay a higher price. When we compete in selling, we will have to sell at a lower price. In our country, there have been many cases of buying at high price and selling at low price in foreign markets with the loss shouldered by our local producers and consumers. I would like to present an example about competition in buying: In one country, there was a small trade office selling motorcycles for the company of another country. At one time, there were 33 enterprises from our country contacting that small trade office to buy motorcycles. The result is that that trade office increased the price of a motorcycle to \$1,200, \$1,500, and \$1,600 consecutively, while the manufacturers' price of the motorcycle was less than \$1,000. Despite the price increases, our enterprises still begged and tried everything to buy motorcycles before selling them at higher prices in our market. About competition in selling, the most recent phenomena occurred with the export of rice and coffee. When the price of coffee was low, import-export enterprises just left the peasants on their own. When the coffee price in the world market increased rapidly, hundreds of enterprises asked for permission to export coffee. Some people have said that under the market economy, profit and loss only affect the enterprises and the market price is decided by demand and supply; therefore, the government should not allow some enterprises to monopolize certain businesses while leaving other enterprises out of the trade. It is correct that when we allow only some enterprises to engage in certain business, new form of monopoly and negativism will emerge; but when there are many people engaged in business and when we do not have sufficient regulation to create a clear legal status, the assignment for some leading enterprises to import and export certain commodities is necessary for national interest and for the benefit of local consumers and all enterprises as well. This is not a mere administrative measure, but it is a combination of economic and administrative measures. However, I also think that the assignment for some leading enterprises to import and export certain commodities is not the best solution and that we must continue to look for better ways, especially while we are waiting for the promulgation of a commercial law.

[NHAN DAN] At present, what import-export regulations that are not being implemented unitedly by the central government and local authorities are causing obstacles and discouragement to business?

[Le Van Triet] The press has often mentioned a negative phenomena in economic activities of "one enterprise

working under another enterprise's name," "private trader operating under the name of a state enterprise," or "illegal investment."

That is true and these practices are arising from the contradiction between the necessary unity of the market economy with our application of different laws or legal documents to different enterprises: state enterprises are under the control of central state bodies and local enterprises are regulated by Decree No. 388. The non-state enterprises consist of limited companies, joint stock companies, and private businesses and are regulated by the private company law and the law on limited companies. All enterprise engaged in the same business and the same market are not regulated by the same law. Different regulations, privileges, and loopholes are fully exploited by all enterprises. This is a factor that both creates loopholes and obstacles for state management and causes inequality in business, which discourages entrepreneurs. A commercial law will contain legal stipulations to control economic and social relations with a very wide scope. Therefore, it must be promulgated early to create a necessary legal foundation for all business and citizens engaging in commercial activities in general, and in the import and export sectors in particular.

[NHAN DAN] What intentions does the Ministry of Trade have to implement in one step the eighth party Central Committee resolution on the reform of the state administration? Can the comrade minister let readers of the party daily know about future improvements in the import and export sectors to really reduce embarrassment for the public when they have to contact government offices and state management organs?

[Le Van Triet] The Ministry of Trade is in the progress of actively implementing the eighth party Central Committee resolution on the reform of the state administration in one step with concrete and practical tasks, both in macro-management and specific procedures, such as:

For macro-management: 1. The ministry is amending the draft bill on commerce before seeking public opinions in the country and overseas and before presenting it to the National Assembly as outlined in the National Assembly's legislation building program and as instructed by the government.

2. The ministry is conducting an investigation and surveying the situation of all enterprises in general, and state enterprises in particular, to propose planning for the continued strengthening of necessary state enterprises so these state enterprises can play a leading role in the market; and to submit to the government plans and measures to reform, reorganize, or introduce the shareholding system into other state enterprises to improve their economic performance so they can contribute to the consolidation and improvement of goods distribution for production and consumption.

About the improvement of procedures and methods to organize and manage import-export activities, we can

cite two things that affect many businessmen. First, we continue the second stage of the process to stop the issuance of permission for single import shipments, except for those goods that require permission for each shipment under the common world trading practice or agreements reached with the export country. Second, we have reduced the number of goods which are controlled by the 1994 import-export control planning from 22 to only nine in 1995 (they are: export goods: rice and coffee; import goods: cement, steel, fertilizer, cars, motorcycles, sugar, and gasoline and diesel fuels). Later on, when the situation is better, we will consider further reductions of the number of goods controlled by the 1994 import-export planning. In order to satisfactorily manage the controlled goods, the government plans to assign leading enterprises to handle the import and export of these goods. Government ministries, state organs, local authorities, and business associations are also responsible to select these leading enterprises. The selection must be based on the performance of the enterprises in 1992, 1993, and 1994. The number of leading enterprises must not be too few or too many to prevent monopolies (which leads to authoritarianism) and chaotic competition. The leading enterprises must be able to handle foreign trade and must engage in the trade of these goods. For example: For the export of coffee, the Ministry of Trade, the Ministry of Agriculture and Food Industry, and the Federation of Coffee Associations agreed to choose 23 leading enterprises to handle coffee exports to replace hundreds of previous exporters. Gasoline and diesel are imported by six enterprises as in previous years. For vehicles, the Ministry of Trade has helped 80 enterprises engaging in vehicle trading to elect five leading enterprises which will negotiate, import, and redistribute vehicles to all 80 enterprises for sale. In order to strengthen the control and prevent authoritative and negative practices committed by the leading enterprises, the Ministry of Trade has publicly announced its decision and requested cooperation by all enterprises to discover negativism and unreasonable practices for quick correction. Moreover, for the nine goods controlled by the 1994 planning, we grant 60-70 percent of the total import for leading enterprises and 30-40 percent to other enterprises registered to trade these goods. In management, we closely supervise current developments to quickly adjust and transfer the import-export quota from incompetent enterprises to enterprises with efficient capital, market, and other favorable trading conditions.

We always respect and listen to opinions contributed by the press, enterprises, and the public to accelerate the administrative reform in the trading sector.

[NHAN DAN] Thank you, comrade minister.

Melbourne Radio on Foreign Buddhists' 'Subversion'

*BK1004152095 Melbourne Radio Australia in English
0630 GMT 10 Apr 95*

[From the "International Report" program]

[FBIS Transcribed Excerpt] The Vietnamese Government has accused an Australian-based Buddhist monk of inciting religious violence and subversion in Vietnam. Hanoi says the abbot of a Canberra monastery, (Thich Quang Ba), and Buddhists based in France are funding antigovernment activities in Vietnam.

The accusation came as an Australian parliamentary delegation failed to meet dissident Buddhists in the central Vietnamese city of Hue. The delegation, headed by Senator Stephan Loosley, had earlier been allowed to visit a prison outside Hanoi. Christopher Kramer sent this report from Hue:

[Begin recording] [Kramer] On Saturday, even opposition delegation member Alexander Downer was buzzing over the access granted to the team to two prison camps at (Su Son), 100 kilometers north of Hanoi.

[Downer] That access has been provided, that obviously gives us some sense of what those detention centers are like in any case.

[Kramer] Vietnam says it does not hold political prisoners, although intellectuals are serving prison terms of up to 20 years for publishing pamphlets calling for political pluralism. What Hanoi does not deny is that members of a Buddhist sect, which has broken away from the state-approved church, are in jail. The Religious Affairs Commission head, Vu Quang, compares the dissidents to Japan's doomsday cult and said Australian Buddhists are encouraging their Vietnamese brethren to rise up against the Hanoi government.

[Vu Quang in Vietnamese fading into English translation] In Australia, there is one person whose name is Thich Quang Ba. He used to be a policeman of the

southern government, even the Army. Thich Quang Ba himself wrote letters to Thich Quang Do and Thich Huyen Quang encouraging them against the government.

[Kramer] The nine-member Australian delegation, which includes two Vietnamese-born Australians, traveled to Thien Mu Pagoda in the central city of Hue on Sunday where they got a sense of the Buddhist church's long involvement in politics. There preserved as a relic—a Morris Minor [automobile] which in 1963 carried one monk to Saigon where, to the horrors of the world, he self-immolated in protest of the policies of the U.S.-backed government. Now, parts of the church have turned against Vietnam's communist government which fears their incendiary politics.

Four monks from Thien Mu were jailed last year for allegedly staging a violent protest against the government-approved church. This year, the second in charge of the breakaway faction was arrested and awaits trial. [passage omitted on remarks by Loosley on delegation objectives] [end recording]

87 Investment Projects Approved in 1st Quarter

BK1204093095 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 10 Apr 95

[FBIS Translated Text] In the first quarter of the year, the State Commission for Cooperation and Investment, or SCCI, licensed 87 investment projects with a total registered capital of \$1.871 billion. This included 51 industrial projects, or 59 percent of the total number of projects. The SCCI also approved \$301 million of supplementary capital for 24 operational projects. During the same period the commission revoked 16 licenses of projects that were unable to become operational.

French Polynesia

New Assembly President Elected; Minister Named

*BK0704064395 Hong Kong AFP in English 0451 GMT
7 Apr 95*

[FBIS Transcribed Text] Papeet, April 7 (AFP)—Milou Ebb, founder of the Te Aveia Mau (Good Path Party), was elected president of the territorial assembly of French Polynesia on Thursday, gaining 30 out of 38 votes.

Ebb, whose group is a member of the governing tripartite coalition, succeeds Jean Juventin, whose term expires.

Local politics were marked by a storm last year, when the president of the territorial government, Gaston Flosse, fell out with Juventin. Ebb sided with Flosse.

In a parallel move Thursday, Flosse added an 11th minister to his government—Patrick Bordet, who will be in charge of urban planning and transport.

New Zealand

Bolger Discusses Treaties With Czech President

*AU0404135495 Prague MLADA FRONTA DNES in
Czech 3 Apr 95 p 8*

["vod"-signed report: "President Havel Held Talks With the Prime Minister of New Zealand"]

[FBIS Translated Text] Auckland—President Vaclav Havel and New Zealand Prime Minister Jim Bolger agreed yesterday that there are no obstacles to terminating the visa obligations between the two countries. They also discussed the possibility of signing an agreement on preventing double taxation. Mostly, though, the two politicians discussed the international situation. Bolger arrived yesterday from Washington D.C., where he and President Clinton broke the ice after 10 years of cool relations caused by New Zealand's refusal to let U.S. nuclear vessels enter New Zealand harbors.

Bolger told Havel that he did not give in to Clinton on this issue but that relations had dramatically improved. During the Auckland meeting, Bolger inquired about the president's views regarding the expansion of NATO and the situation in the Balkans, where New Zealand also has troops under the UN flag.

Havel visited New Zealand within the framework of his Pacific trip, during which he is promoting the republic in one of the largest markets of the next century. He is to leave New Zealand today, then depart for Manila in the Philippines after a brief stop in Australia.

In the meantime, Deputy Foreign Minister Alexandr Vondra departed yesterday from New Zealand to establish diplomatic relations between the Czech Republic and the Sultanate of Brunei.

Papua New Guinea

Bougainville Transitional Government Sworn In

*BK1004141695 Hong Kong AFP in English 1220 GMT
10 Apr 95*

[FBIS Transcribed Text] Port Moresby, April 10 (AFP)—A 27-member transitional government was sworn in Monday on war-torn Bougainville in the latest attempt to bring a peaceful end to the island's six-year crisis.

A former rebel associate, Theodore Miriung, was appointed premier. His main task will be to negotiate with the Papua New Guinea government over the future political status of Bougainville.

Papua New Guinea Prime Minister Sir Julius Chan said during the swearing-in ceremony that the transitional government provided a forum for Bougainvilleans to participate in shaping the kind of society they wanted.

"This government is being established to bring to reality the wish of the Bougainville people to find a lasting solution to the difficulties and trauma of the last six years," Chan said.

In Sydney, Moses Havini, spokesman for the self-styled pro-secessionist Bougainville interim government described the new entity as a "puppet government".

"The obvious losers in this futile exercise are the people of Bougainville, led through the nose by a few self-interested pro-PNG Bougainvilleans," Havini said.

He said it was "daylight robbery" of Bougainvilleans' democratic rights.

In his acceptance speech, premier Miriung said the transitional government would unite the people, now divided in their support between staying united with Papua New Guinea and total independence for Bougainville.

Five of the 32 seats in the government allocated to the Bougainville Revolutionary Army have yet to be taken up.

On his return to Port Moresby from Buka where the ceremony took place, Chan said the occasion was a special one taking Bougainville further down the road to peace.

Thousands of people, including more than a hundred members of the government security forces, have been killed over since the secessionist movement launched their campaign six years ago.

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